



# Draft Proposed Revisions to the Provisional Standards: Summary of Changes

Health Care

Financials

Technology & Communications

Extractives & Minerals Processing

Transportation

Services

Resource Transformation

Food & Beverage

Consumer Goods

Renewable Resources & Alternative Energy

Infrastructure

Prepared by the  
Sustainability Accounting Standards Board®

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## Introduction

The Summary of Changes document provides a listing of all proposed revisions to the provisional standards, organized by sector, that the SASB is considering for implementation in the codified standards. These proposed revisions to the provisional standards reflect consideration of public comments received between October 2, 2017 and January 31, 2018, stakeholder input from prior consultation, staff research and feedback from the Standards Board. The SASB staff and Standards Board have considered these comments and consultations in the context of the [Rules of Procedure](#) and [Conceptual Framework](#).

All proposed revisions which reference the “2017 Technical Agenda”, consider a previously published Basis for Conclusion which may be found by referring to the [Basis for Conclusions and Exposure Drafts](#) released for public comment in October 2017.

The proposed revisions have been through multiple reviews by the board and staff, including a final board review of these revisions and the standards over the last month. The proposed revisions are meant to provide transparency as to the complete set of revisions up for board consideration. The official vote by the Standards Board in the next week will consider these revisions as well as discussions of board review comments from the last month, which will take place during the October 10 board meeting. Several weeks after the vote, the SASB will release a detailed rationale for each revision in the form of Basis for Conclusions (similar to the Exposure Draft Basis for Conclusions), along with 77 codified industry standards that will be ready for market use.

*Note: The revision numbering system in this document is not sequential. Final standards documents will contain a sequential numbering system.*



## Health Care Sector

Biotechnology & Pharmaceuticals

Medical Equipment & Supplies

Health Care Delivery

Health Care Distributors

Managed Care

Drug Retailers

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## Revision HC-BP:01 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Activity Metrics

### **2017 Technical Agenda Item #1-6 Description**

SASB is evaluating adding activity metrics to the Biotechnology & Pharmaceuticals industry standard.

### **Summary of Change – Add Activity Metrics**

The SASB has added the following activity metrics to the Biotechnology & Pharmaceuticals industry standard:

Number of patients treated

Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)

## Revision HC-BP:02 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Energy, Water & Waste Efficiency

### **Summary of Change – Remove Disclosure Topic**

The SASB removed the Energy, Water & Waste Efficiency disclosure topic and the following associated metrics from the Biotechnology & Pharmaceuticals industry standard:

Amount of waste (metric tons); percentage that is recycled, incinerated (including for energy recovery), and landfilled

Overall Process Mass Intensity (PMI) and PMI broken down for water and organic solvents, where  $PMI = \text{quantity of raw materials input (kg)} / \text{quantity of active pharmaceutical product (API) output (kg)}$

Total annual energy consumed (gigajoules) and percentage renewable (e.g., wind, biomass, solar)

Total water withdrawals and percentage in water-stressed regions – High or Extremely High Baseline Water Stress as defined by the WRI Water Risk Atlas; percentage of process water recycled

## Revision HC-BP:03 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Safety of Clinical Trial Participants

### 2017 Technical Agenda Item #1-2 Description

SASB is evaluating a revision of metrics HC0101-09 and HC0102-09<sup>1</sup> to ensure the comparability of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB has revised provisional metrics HC0101-09 and HC0102-09 from:

Description of legal and regulatory fines and settlements associated with clinical trials in World Bank Low-income and Lower middle-income Countries (LICs and LMICs) and UN HDI Medium-High Development Countries (MHDCs) that are not captured by the World Bank’s LIC or LMIC rankings

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

to the following:

## Revision HC-BP:04 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Safety of Clinical Trial Participants

### Summary of Change – Revise Metric

The SASB revised provisional metric HC0101-08 from:

Number of FDA Clinical Investigator Inspections of investigators used for clinical trials during the past year that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)

to the following:

Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)

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<sup>1</sup> HC0101-09 / HC0102-09: Description of legal and regulatory fines and settlements associated with clinical trials in World Bank Low-income and Lower middle-income Countries (LICs and LMICs) and UN HDI Medium-High Development Countries (MHDCs) that are not captured by the World Bank’s LIC or LMIC rankings. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

## Revision HC-BP:05 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Access to Medicines

### **Summary of Change – Revise Metric**

The SASB revised provisional metric HC0101-01 from:

Description of initiatives to promote access to health care products in priority countries as defined by the Access to Medicine Index.

to the following:

Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index.

## Revision HC-BP:06 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Access to Medicines

### **Summary of Change – Revise Technical Protocol:**

The SASB has revised the technical protocol associated with metric HC0101-01 to align it with the most current Access to Medicine methodology. The revised protocol removes specific mention of the year of publication of the methodology as well as page numbers to ensure that it does not become outdated with the biennial release of the Access to Medicine methodology.

## Revision HC-BP:07 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Affordability & Fair Pricing

### **Summary of Change – Revise Topic Name:**

The SASB has renamed the provisional topic, Affordability & Fair Pricing to Affordability & Pricing.

## Revision HC-BP:08 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Affordability & Fair Pricing

### **2017 Technical Agenda Item #1-3 Description**

SASB is evaluating the revision of metrics HC0101-11 / HC0102-11<sup>2</sup> to ensure the usefulness and alignment with current industry practices of the metrics associated with the topic.

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<sup>2</sup> HC0101-11 / HC0102-11: Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index.

## Summary of Change – Revise Metrics

The SASB has revised metric HC0101-11 / HC0102-11 from:

Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index

to the following:

Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year

Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year

## Revision HC-BP:09 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Drug Safety & Side Effects

### 2017 Technical Agenda Item #1-1 Description

SASB is evaluating the suitability of the topic name.

## Summary of Change – Revise Topic Name

The SASB has renamed the provisional topic “Drug Safety & Side Effects to Drug Safety.

## Revision HC-BP:10 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Drug Safety & Side Effects

## Summary of Change – Revise Metric

The SASB revised provisional metric HC0101-05 from:

List of products recalled

to the following:

Number of recalls issued, total units recalled



## Revision HC-BP:11 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Ethical Marketing

### 2017 Technical Agenda Item #1-4 Description

SASB is evaluating a revision of metrics HC0101-12 and HC0102-12<sup>3</sup> to ensure the comparability of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB has revised metrics HC0101-12 and HC0102-12 from:

Description of legal and regulatory fines and settlements associated with false marketing claims, including Federal Food, Drug, and Cosmetic Act violations for off-label marketing prosecuted under the False Claims Act

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

to the following:

Total amount of monetary losses as a result of legal proceedings associated with false marketing claims

## Revision HC-BP:12 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Employee Health & Safety

### Summary of Change – Remove Disclosure Topic

The SASB removed the Employee Health & Safety disclosure topic and the associated metrics from the Biotechnology & Pharmaceuticals industry standard:

Days Away, Restricted, or Transferred (DART) rate – (Number of recordable injuries and illnesses resulting in days away from work, restricted work activity, or job transfers / Hours Worked) \* 200,000

Laboratory-acquired infection (LAI) rate – LAIs per 1000 employees in human and animal diagnostic laboratories

Total Injury Rate – (Number of recordable injuries and illnesses / Hours Worked) \* 200,000

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<sup>3</sup> HC0101-12 / HC0102-12: Description of legal and regulatory fines and settlements associated with false marketing claims, including Federal Food, Drug, and Cosmetic Act violations for off-label marketing prosecuted under the False Claims Act. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

## Revision HC-BP:13 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Employee Recruitment, Development & Retention

### **Summary of Change – Remove Metric:**

The SASB removed metric HC0101-15, ‘Training and development expenditures per full time employee by: (1) expenditures for industry or professional qualification and advanced industry education; (2) all other’ from the Employee, Recruitment, Development & Retention disclosure topic.

## Revision HC-BP:14 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Manufacturing & Supply Chain Management

### **Summary of Change – Revise Topic Name and Move Metric:**

The SASB moved metric HC0101-29, “Description of FDA enforcement actions taken in response to violations of current good manufacturing practices (cGMP), including: product deemed adulterated, form 483s, suggested recall (Class I, II, III), Warning Letters, Border Alerts, license suspension or revocation, product seizure, Consent Decrees, criminal prosecution. Description of corrective actions implemented in response to actions,” from the Manufacturing & Supply Chain Quality Management to the Drug Safety disclosure topic. Additionally, the SASB renamed the topic Manufacturing & Supply Chain Quality Management to Supply Chain Management.

## Revision HC-BP:15 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Corruption & Bribery

### **Summary of Change – Revise Topic Name:**

The SASB has renamed the provisional topic, Corruption & Bribery to Business Ethics.

## Revision HC-BP:16 – **Industry:** Biotechnology & Pharmaceuticals; **Topic Name:** Corruption & Bribery

### **2017 Technical Agenda Item #1-5 Description**

SASB is evaluating a revision of metrics HC0101-27 and HC0102-27<sup>4</sup> to ensure the comparability of the metrics associated with the topic.

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<sup>4</sup> HC0101-27 / HC0102-27 Description of legal and regulatory fines and settlements associated with bribery, corruption, or other unethical business practices, including violations of the Foreign Corrupt Practices Act and those associated with providing kickbacks to physicians. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

## Summary of Change – Revise Metrics

The SASB has revised provisional metrics HC0101-27 and HC0102-27 from:

Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

to the following:

Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery

## Revision HC-MS:01 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Activity Metric

### 2017 Technical Agenda Item #1-10 Description

SASB is evaluating adding activity metrics to the Medical Equipment & Supplies industry standard.

### Summary of Change – Add Activity Metrics

The SASB has added the following activity metric to the Medical Equipment & Supplies industry standard: "Number of units sold by product category."

## Revision HC-MS:02 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Energy, Water & Waste Efficiency

### 2017 Technical Agenda Item #1-8 Description

SASB is evaluating the removal of the topic, including the corresponding metrics, based on the limited evidence that performance on the topic will significantly impact valuation.

### Summary of Change – Remove Topic

The SASB removed the topic, Energy, Water & Waste Efficiency, from the Medical Equipment & Supplies industry standard, including its corresponding metrics:

- Total annual energy consumed (gigajoules) and percentage renewable (e.g., wind, biomass, solar)
- Total water withdrawals and percentage from water-stressed regions—High or Extremely High Baseline Water Stress as defined by the Water Risk Atlas; percentage of process water recycled
- Amount of waste (metric tons); percentage that is recycled, incinerated, and landfilled

## Revision HC-MS:03 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Affordability & Fair Pricing

### **Summary of Change – Revise Topic Name:**

The SASB has renamed the provisional topic, Affordability & Fair Pricing to Affordability & Pricing.

## Revision HC-MS:04 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Product Safety

### **Summary of Change – Revise Metric**

The SASB revised provisional metric HC0201-01 from:

List of products recalled

to the following:

Number of recalls issued, total units recalled

## Revision HC-MS:05 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Ethical Marketing

### **2017 Technical Agenda Item #1-7 Description**

SASB is evaluating a revision of metric HC0201-04<sup>5</sup> to ensure the comparability of the metrics associated with the topic.

### **Summary of Change – Revise Metric**

The SASB revised provisional metric HC0201-04 from:

Description of legal and regulatory fines and settlements associated with false marketing claims, including Federal Food, Drug, and Cosmetic Act violations for off-label marketing prosecuted under the False Claims Act

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

to the following:

Total amount of monetary losses as a result of legal proceedings associated with false marketing claims

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<sup>5</sup> HC0201-04: Description of legal and regulatory fines and settlements associated with false marketing claims, including Federal Food, Drug, and Cosmetic Act violations for off-label marketing prosecuted under the False Claims Act. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

## Revision HC-MS:06 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Manufacturing & Supply Chain Management

### **Summary of Change – Revise Topic Name and Move Metric:**

The SASB moved metric “HC0201-15 Number and type of FDA enforcement actions taken in response to violations of current good manufacturing practices (cGMP) including: product deemed adulterated, form 483s, suggested recall (Class I, II, III), Warning Letters, Border Alerts, license suspension or revocation, product seizure, Consent Decrees, criminal prosecution” from the Manufacturing & Supply Chain Quality Management to the Product Safety disclosure topic. Additionally, the SASB renamed the Manufacturing & Supply Chain Quality Management topic to Supply Chain Management.

## Revision HC-MS:07 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Manufacturing & Supply Chain Management

### **Summary of Change – Revise Metric**

The SASB revised provisional metric HC0201-01 from:

Discussion of any existing or projected risks or constraints with obtaining raw materials (or components) within the supply chain, including those related to restricted/limited availability, political situations, local labor conditions, natural disasters, climate change, or regulations:

to the following:

Description of the management of risks associated with the use of critical materials

## Revision HC-MS:08 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Corruption & Bribery

### **Summary of Change – Revise Topic Name:**

The SASB has renamed the provisional topic, Corruption & Bribery to Business Ethics.

## Revision HC-MS:09 – **Industry:** Medical Equipment & Supplies; **Topic Name:** Corruption & Bribery

### 2017 Technical Agenda Item #1-9 Description

SASB is evaluating a revision of metric HC0201-13<sup>6</sup> to ensure the comparability of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric HC0201-13 from:

Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

to the following:

Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery

## Revision HC-DI:01 – **Industry:** Health Care Distributors; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #1-21 Description

SASB is evaluating adding activity metrics to the Health Care Distributors industry standard.

### Summary of Change – Add Activity Metrics

The SASB added the following activity metrics to the Health Care Distributors industry standard:

Number of pharmaceutical units sold by product category

Number of medical devices sold by product category

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<sup>6</sup> HC0201-13: Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

Revision HC-DI:02 – **Industry:** Health Care Distributors;  
**Topic Name:** Fuel Efficiency

**Summary of Change – Revise Topic Name:**

The SASB has renamed the provisional topic, Fuel Efficiency to Fleet Fuel Management.

Revision HC-DI:03 – **Industry:** Health Care Distributors;  
**Topic Name:** Corruption & Bribery

**Summary of Change – Revise Topic Name:**

The SASB has renamed the provisional topic, Corruption & Bribery to Business Ethics.

Revision HC-DI:04 – **Industry:** Health Care Distributors;  
**Topic Name:** Corruption & Bribery

**2017 Technical Agenda Item #1-20 Description**

SASB is evaluating a revision of metric HC0302-11<sup>7</sup> to ensure the comparability of the metrics associated with the topic.

**Summary of Change – Revise Metric**

The SASB revised provisional metric HC0302-11 from:

Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

to the following:

Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices

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<sup>7</sup> HC0302-11: Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

## Revision HC-MC:01 – **Industry:** Managed Care; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #1-23 Description

SASB is evaluating adding activity metrics to the Managed Care industry standard.

### Summary of Change – Add Activity Metric

The SASB added the following activity metric to the Managed Care industry standard: “Number of enrollees by plan type.”

## Revision HC-MC:02 – **Industry:** Managed Care; **Topic Name:** Customer Privacy & Technology Standards

### 2017 Technical Agenda Item #1-22 Description

SASB is evaluating a revision of metric HC0303-13<sup>8</sup> and HC0303-14<sup>9</sup> to ensure the usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB revised metrics HC0303-13 and HC0303-14 from:

Description of legal and regulatory fines and settlements related to HIPAA violations or The Health Information Technology for Economic and Clinical Health (HITECH) Act violations

Dollar amount of fines and settlements and a description of corrective actions implemented in response to events

Discussion of implementation of technology and management standards to maintain security, privacy, and availability of customer data. Number of breaches of customer data security, including the number of HIPAA-mandated breach notifications

to the following, respectively:

Description of policies and practices to secure customers’ protected health information (PHI) records and other personally identifiable information (PII)

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<sup>8</sup> HC0303-13: Description of legal and regulatory fines and settlements related to Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rules violations or The Health Information Technology for Economic and Clinical Health (HITECH) Act violations. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

<sup>9</sup> HC0303-14: Discussion of implementation of technology and management standards to maintain security, privacy, and availability of customer data. Number of breaches of customer data security, including the number of HIPAA-mandated breach notifications.



Number of data breaches, percentage involving customers' (1) personally identifiable information (PII) only and (2) protected health information (PHI), number of customers affected in each category

Total amount of monetary losses as a result of legal proceedings associated with data security and privacy

## Revision HC-MC:03– **Industry:** Managed Care; **Topic Name:** Pricing Transparency & Plan Literacy

### **Summary of Change – Remove Disclosure Topic**

The SASB removed the Pricing Transparency & Plan Literacy disclosure topic and the associated metrics HC0303-11 and HC0303-12 from the Managed Care industry standard:

Description of policies and practices related to clarity in pricing and coverage, including health care literacy programs.

JD Power & Associates members' rating on "Information and Communication."

## Revision HC-DR:01 – **Industry:** Drug Retailers; **Topic Name:** Patient Health Outcomes

### **Summary of Change – Remove Metric**

The SASB removed metric HC0304-10 from the Patient Health Outcomes disclosure topic:

Percentage of gender and racial/ethnic group representation for pharmacists



## Financials Sector

Commercial Banks

Investment Banking & Brokerage

Asset Management & Custody Activities

Consumer Finance

Mortgage Finance

Security & Commodity Exchanges

Insurance

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## Revision FN-CB:01 – **Industry:** Commercial Banks; **Topic Name:** Customer Privacy & Data Security

### 2017 Technical Agenda Item #2-4 Description

SASB is evaluating revisions to the topic, including the corresponding metrics FN0101-06<sup>10</sup> and FN0101-07,<sup>11</sup> due to its potential to affect corporate value, relevance across the industry, and level of investor interest.

### Summary of Change – Revise Topic Name and Revise Metric

The SASB renamed the provisional disclosure topic from Customer Privacy & Data Security to Data Security, while retaining existent metrics FN0101-06 “Number of data security breaches and percentage involving customers’ personally identifiable information” (separately revised in the Revision FN-CB:02) and FN0101-07 “Discussion of management approach to identifying and addressing vulnerabilities and threats to data security”, with minor changes to the technical protocols to improve their internal alignment with other SASB Standards.

Further, the SASB revised metric FN0101-07 to “Description of approach to identifying and addressing data security risks” and revised the associated technical protocol to include the alignment of company data security policies with existing legal and regulatory frameworks related to data security in the scope of disclosure. The SASB additionally revised the technical protocol to include a discussion of company policies related to the timeliness of the disclosure of data security breaches to affected parties.

## Revision FN-CB:02 – **Industry:** Commercial Banks; **Topic Name:** Customer Privacy & Data Security

### 2017 Technical Agenda Item #2-5 Description

SASB is evaluating the revision of metric FN0101-06<sup>12</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric FN0101-06 from “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected.”

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<sup>10</sup> FN0101-06: Number of data security breaches and percentage involving customers’ personally identifiable information

<sup>11</sup> FN0101-07: Discussion of management approach to identifying and addressing vulnerabilities and threats to data security

<sup>12</sup> FN0101-06: Number of data security breaches and percentage involving customers’ personally identifiable information

## Revision FN-CB:03 – **Industry:** Commercial Banks; **Topic Name:** Financial Inclusion & Capacity Building

### 2017 Technical Agenda Item #2-1 Description

SASB is evaluating the revision of metric FN0101-01<sup>13</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB removed metric:

FN0101-01: Percentage of new accounts held by first-time account holders

and added metric:

Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers

Note: Accounts that have contingencies such as the presence of a direct deposit, the minimum amount of funds transferred to or from the account, etc., have been excluded from disclosure as they are not relevant to the scope of the topic.

## Revision FN-CB:04 – **Industry:** Commercial Banks; **Topic Name:** Financial Inclusion & Capacity Building

### 2017 Technical Agenda Item #2-2 Description

SASB is evaluating the revision of metrics FN0101-02<sup>14</sup> and FN0101-04<sup>15</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB removed metrics:

FN0101-02: Percentage of total domestic loans for underserved and underbanked business segments

FN0101-04: Loan-to-deposit ratio for: (1) Overall domestic lending (2) Underserved and underbanked business segments

and added metric:

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<sup>13</sup> FN0101-01: Percentage of new accounts held by first-time account holders

<sup>14</sup> FN0101-02: Percentage of total domestic loans for underserved and underbanked business segments

<sup>15</sup> FN0101-04: Loan-to-deposit ratio for: (1) Overall domestic lending (2) Underserved and underbanked business segments

(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development

## Revision FN-CB:05 – **Industry:** Commercial Banks; **Topic Name:** Financial Inclusion & Capacity Building

### 2017 Technical Agenda Item #2-3 Description

SASB is evaluating the revision of metric FN0101-05<sup>16</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB has removed metric:

FN0101-05: Loan default rates for: (1) Overall domestic lending (2) Underserved and underbanked business segments

and replaced it with metric:

(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development

## Revision FN-CB:06 – **Industry:** Commercial Banks; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis

### 2017 Technical Agenda Item #2-10 Description

SASB is evaluating the removal of metric FN0101-17<sup>17</sup> to ensure the relevance and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Remove Metric

The SASB removed provisional metric FN0101-17, “Amount and percentage of lending and project finance that employs: (1) Integration of ESG factors (2) Sustainability themed lending or finance (3) Screening (exclusionary, inclusionary, or benchmarked) (4) Impact or community lending or finance.”

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<sup>16</sup> FN0101-05: Loan default rates for: (1) Overall domestic lending (2) Underserved and underbanked business segments

<sup>17</sup> FN0101-17: Amount and percentage of lending and project finance that employs: (1) Integration of ESG factors (2) Sustainability themed lending or finance (3) Screening (exclusionary, inclusionary, or benchmarked) (4) Impact or community lending or finance

## Revision FN-CB:07 – **Industry:** Commercial Banks; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis

### 2017 Technical Agenda Item #2-11 Description

SASB is evaluating the revision of metric FN0101-18<sup>18</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric FN0101-18 from “Total loans to companies in the following sectors/industries: Energy/Oil & Gas, Materials/Basic Materials, Industrials, and Utilities” to “Commercial and industrial credit exposure, by industry.”

## Revision FN-CB:08 – **Industry:** Commercial Banks; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis

### Summary of Change – Revise Metrics

The SASB replaced metrics:

FN0101-15: Discussion of how environmental, social and governance (ESG) factors are integrated into the lending process

FN0101-16: Discussion of credit risk to the loan portfolio presented by climate change, natural resource constraints, human rights concerns, or other broad sustainability trends

with metric

Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis

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<sup>18</sup> FN0101-18: Total loans to companies in the following sectors/industries: Energy/Oil & Gas, Materials/Basic Materials, Industrials, and Utilities

## Revision FN-CB:09 – **Industry:** Commercial Banks; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #2-6 Description

SASB is evaluating the revision of metric FN0101-08<sup>19</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Add Metric and Revise Metric

The SASB split metric:

FN0101-08: Amount of legal and regulatory fines and settlements associated with financial industry regulation and percentage that resulted from whistleblowing actions

into its quantitative and qualitative components:

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

with a new metric subsequently created to capture whistleblower policies:

Description of whistleblower policies and procedures

## Revision FN-CB:10 – **Industry:** Commercial Banks; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #2-7 Description

SASB is evaluating the revision of metric FN0101-09<sup>20</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Remove Metric

The SASB removed metric FN0101-09, “Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system, and percentage that were substantiated.”

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<sup>19</sup> FN0101-08: Amount of legal and regulatory fines and settlements associated with financial industry regulation and percentage that resulted from whistleblowing actions

<sup>20</sup> FN0101-09: Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system, and percentage that were substantiated

## Revision FN-CB:11 – **Industry:** Commercial Banks; **Topic Name:** Management of the Legal & Regulatory Environment

### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from Management of the Legal & Regulatory Environment to Business Ethics.

## Revision FN-CB:12 – **Industry:** Commercial Banks; **Topic Name:** Systemic Risk Management

### **2017 Technical Agenda Item #2-8 Description**

SASB is evaluating the revision of metric FN0101-10<sup>21</sup> to ensure the decision-usefulness and cost-effectiveness of the metrics associated with the topic.

### **Summary of Change – Revise Metric**

The SASB revised metric:

FN0101-10: Results of stress tests under adverse economic scenarios, including the following measures (actual and projection): (1) Loan losses (2) Losses, revenue, and net income before taxes (3) Tier 1 common capital ratio (4) Tier 1 capital ratio (5) Total risk-based capital ratio (6) Tier 1 leverage ratio

to metric:

Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities

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<sup>21</sup> FN0101-10: Results of stress tests under adverse economic scenarios, including the following measures (actual and projection): (1) Loan losses (2) Losses, revenue, and net income before taxes (3) Tier 1 common capital ratio (4) Tier 1 capital ratio (5) Total risk-based capital ratio (6) Tier 1 leverage ratio



## Revision FN-CB:13 – **Industry:** Commercial Banks; **Topic Name:** Systemic Risk Management

### 2017 Technical Agenda Item #2-9 Description

SASB is evaluating the revision of metrics FN0101-11,<sup>22</sup> FN0101-12,<sup>23</sup> FN0101-13,<sup>24</sup> and FN0101-14<sup>25</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB removed the following provisional metrics:

FN0101-11: Basel III Liquidity Coverage Ratio (LCR)

FN0101-12: Net exposure to written credit derivatives

FN0101-13: Level 3 assets: (1) total value and (2) percentage of total assets

FN0101-14: Skewness and kurtosis of trading revenue

and replacing them with a new metric:

Global Systemically Important Bank (G-SIB) score, by category

## Revision FN-CB:14 – **Industry:** Commercial Banks; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #2-12 Description

The SASB proposes to include activity metrics for the Commercial Banks industry.

### Summary of Change – Add Activity Metrics

The SASB added the following activity metrics:

(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business

(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate

Note: Mortgage loans as well as revolving credit loans would be excluded from the scope of disclosure as they are addressed in the Mortgage Finance and Consumer Finance industries.

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<sup>22</sup> FN0101-11: Basel III Liquidity Coverage Ratio (LCR)

<sup>23</sup> FN0101-12: Net exposure to written credit derivatives

<sup>24</sup> FN0101-13: Level 3 assets: (1) total value and (2) percentage of total assets

<sup>25</sup> FN0101-14: Skewness and kurtosis of trading revenue

## Revision FN-IB:01 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Employee Inclusion

### **2017 Technical Agenda Item #2-15 Description**

SASB is evaluating the revision of metric FN0102-06<sup>26</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### **Summary of Change – Revise Metric and Revise Topic Name**

The SASB revised metric FN0102-06 from “Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others” to “Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.”

Note: For integrated banks, the guidance is to report employees of the investment banking segment. If the company is also involved in asset/wealth management, where the same metric is included, disclosure should include reporting by segment rather than aggregated at the corporate level.

Additionally, the SASB revised the topic name from Employee Inclusion to Employee Diversity & Inclusion to improve its representativeness of the associated metric and measured performance.

## Revision FN-IB:02 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities

### **2017 Technical Agenda Item #2-22 Description**

SASB is evaluating the suitability of the topic name.

### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities to Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities.

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<sup>26</sup> FN0102-06: Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others

## Revision FN-IB:03 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Integration of Environmental, Social and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities

### 2017 Technical Agenda Item #2-23 Description

SASB is evaluating the revision of metrics FN0102-16<sup>27</sup> and FN0102-17<sup>28</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB removed the following provisional metrics:

FN0102-16: Amount of sustainability-focused services, activities, and products, broken down by: (1) origination, (2) market making, and (3) advisory and underwriting

FN0102-17: Deal size of advisory and underwriting transactions for companies in the following sectors/industries: Energy/Oil & Gas, Materials/Basic Materials, Industrials, and Utilities

and added a new metric:

Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry

## Revision FN-IB:04 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities

### 2017 Technical Agenda Item #2-24 Description

SASB is evaluating the addition of a metric to ensure the relevance and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Add Metric

The SASB added a metric: “(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry.”

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<sup>27</sup> FN0102-16: Amount of sustainability-focused services, activities, and products, broken down by: (1) origination, (2) market making, and (3) advisory and underwriting

<sup>28</sup> FN0102-17: Deal size of advisory and underwriting transactions for companies in the following sectors/industries: Energy/Oil & Gas, Materials/Basic Materials, Industrials, and Utilities

## Revision FN-IB:05 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Integration of Environmental, Social and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities

### **Summary of Change – Revise Metric**

The SASB revised metric FN0102-15, "Discussion of how environmental, social, and governance (ESG) factors are incorporated into core products and services" to "Description of approach to incorporation of Environmental, Social, and Governance (ESG) factors in investment banking and brokerage activities."

## Revision FN-IB:06 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Management of the Legal & Regulatory Environment

### **2017 Technical Agenda Item #2-16 Description**

SASB is evaluating the revision of metric FN0102-07<sup>29</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

### **Summary of Change – Add Metric and Revise Metric**

The SASB split metric:

FN0102-07: Amount of legal and regulatory fines and settlements associated with financial industry regulation and percentage that resulted from whistleblowing actions

into its quantitative and qualitative components:

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

with a new metric subsequently created to capture whistleblower policies:

Description of whistleblower policies and procedures

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<sup>29</sup> FN0102-07: Amount of legal and regulatory fines and settlements associated with financial industry regulation and percentage that resulted from whistleblowing actions

## Revision FN-IB:07 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Management of the Legal & Regulatory Environment

### **2017 Technical Agenda Item #2-17 Description**

SASB is evaluating the revision of metric FN0102-08<sup>30</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

#### **Summary of Change – Remove Metric**

The SASB removed provisional metric FN0102-08, “Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system, and percentage that were substantiated.”

## Revision FN-IB:08 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Management of the Legal & Regulatory Environment

### **2017 Technical Agenda Item #2-18 Description**

SASB is evaluating the removal of metric FN0102-09<sup>31</sup> to ensure the relevance and cost-effectiveness of the metrics associated with the topic.

#### **Summary of Change – Remove Metric**

The SASB removed provisional metric FN0102-09, “Number of conflicts of interest disclosed to clients, customers, and/or counterparties.”

## Revision FN-IB:09 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Management of the Legal & Regulatory Environment

#### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from Management of the Legal & Regulatory Environment to Business Ethics.

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<sup>30</sup> FN0102-08: Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system, and percentage that were substantiated

<sup>31</sup> FN0102-09: Number of conflicts of interest disclosed to clients, customers, and/or counterparties

## Revision FN-IB:10 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Professional Integrity

### 2017 Technical Agenda Item #2-19 Description

SASB is evaluating the addition of the topic, including corresponding metrics, based on investor interest and its potential to affect corporate value.

### Summary of Change – Add Topic

The SASB added the disclosure topic Professional Integrity, including the corresponding metrics:

- (1) Number and (2) percentage of covered employees with record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings
- Number of mediation and arbitration cases associated with professional integrity and duty of care
- Total amount of monetary losses as a result of legal proceedings associated with professional integrity and duty of care
- Description of approach to assuring professional integrity and duty of care
- professional integrity and duty of care

## Revision FN-IB:11 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Systemic Risk Management

### 2017 Technical Agenda Item #2-20 Description

SASB is evaluating the revision of metric FN0102-10<sup>32</sup> to ensure the decision-usefulness and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB revised metric:

- FN0102-10: Results of stress tests under adverse economic scenarios, including the following measures (actual and projection): (1) Loan losses (2) Losses, revenue, and net income before taxes (3) Tier 1 common capital ratio (4) Tier 1 capital ratio (5) Total risk-based capital ratio (6) Tier 1 leverage ratio

to metric:

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<sup>32</sup> FN0102-10: Results of stress tests under adverse economic scenarios, including the following measures (actual and projection): (1) Loan losses (2) Losses, revenue, and net income before taxes (3) Tier 1 common capital ratio (4) Tier 1 capital ratio (5) Total risk-based capital ratio (6) Tier 1 leverage ratio

Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities

## Revision FN-IB:12 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Systemic Risk Management

### 2017 Technical Agenda Item #2-21 Description

SASB is evaluating the revision of metrics FN0102-11,<sup>33</sup> FN0102-12,<sup>34</sup> FN0102-13,<sup>35</sup> and FN0102-14<sup>36</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB removed the following provisional metrics:

FN0102-11: Basel III Liquidity Coverage Ratio (LCR)

FN0102-12: Net exposure to written credit derivatives

FN0102-13: Level 3 assets: (1) total value and (2) percentage of total assets

FN0102-14: Skewness and kurtosis of trading revenue

and replaced them with a new metric:

Global Systemically Important Bank (G-SIB) score, by category

## Revision FN-IB:13 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Employee Incentives & Risk Taking

### 2017 Technical Agenda Item #2-13 Description

SASB is evaluating the revision of metrics FN0102-01,<sup>37</sup> FN0102-02,<sup>38</sup> FN0102-03<sup>39</sup>, and FN0102-04<sup>40</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB removed the following provisional metrics:

FN0102-01: Discussion of variable compensation policies and practices

FN0102-03: Percentage of variable compensation that is equity for: (1) executives and (2) all others

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<sup>33</sup> FN0102-11: Basel III Liquidity Coverage Ratio (LCR)

<sup>34</sup> FN0102-12: Net exposure to written credit derivatives

<sup>35</sup> FN0102-13: Level 3 assets: (1) total value and (2) percentage of total assets

<sup>36</sup> FN0102-14: Skewness and kurtosis of trading revenue

<sup>37</sup> FN0102-01: Discussion of variable compensation policies and practices

<sup>38</sup> FN0102-02: Percentage of total compensation that is variable for: (1) executives and (2) all others

<sup>39</sup> FN0102-03: Percentage of variable compensation that is equity for: (1) executives and (2) all others

<sup>40</sup> FN0102-04: Percentage of employee compensation which includes ex post adjustments for: (1) executives and (2) all others

The SASB also replaced the following provisional metrics:

FN0102-02: Percentage of total compensation that is variable for: (1) executives and (2) all others

FN0102-04: Percentage of employee compensation which includes ex post adjustments for: (1) executives and (2) all others

with the following metrics:

Percentage of total remuneration that is variable for Material Risk Takers (MRTs)

Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied

## Revision FN-IB:14 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Employee Incentives & Risk Taking

### 2017 Technical Agenda Item #2-14 Description

SASB is evaluating the revision of metric FN0102-05<sup>41</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

#### Summary of Change – Revise Metrics

The SASB revised provisional metric FN0102-05 from “Number of instances when risk limits were breached and number and percentage by response: (1) position reduced, (2) risk limit temporarily increased, (3) risk limit permanently increased, (4) other” to “Discussion of the company’s policies around supervision, control, and validation of traders’ pricing of Level 3 assets and liabilities.”

Note: The new metric additionally asks companies to discuss incentive-based compensation of employees responsible for pricing of Level 3 assets and liabilities.

## Revision FN-IB:15 – **Industry:** Investment Banking & Brokerage; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #2-25 Description

The SASB proposes to include activity metrics for the Investment Banking & Brokerage industry.

#### Summary of Change – Add Activity Metrics

The SASB added the following activity metrics:

(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions

(1) Number and (2) value of proprietary investments and loans by sector

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<sup>41</sup> FN0102-05: Number of instances when risk limits were breached and number and percentage by response: (1) position reduced, (2) risk limit temporarily increased, (3) risk limit permanently increased, (4) other



(1) Number and (2) total value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products

## Revision FN-AC:01 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Transparent Information & Fair Advice for Customers

### **2017 Technical Agenda Item #2-28 Description**

SASB is evaluating the addition of a metric to ensure the relevance and decision-usefulness of the metrics associated with the topic.

#### **Summary of Change – Add Metric**

The SASB added a new metric, “(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.”

## Revision FN-AC:02 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Transparent Information & Fair Advice for Customers

### **2017 Technical Agenda Item #2-29 Description**

SASB is evaluating the revision of metric FN0103-07<sup>42</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

#### **Summary of Change – Revise Metric**

The SASB revised provisional metric FN0103-07 to require the discussion of procedures and programs intended to provide adequate and transparent information to customers, including how representatives’ compensation structures are linked to sales of investment products and services.

## Revision FN-AC:03 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Employee Inclusion

### **2017 Technical Agenda Item #2-27 Description**

SASB is evaluating the revision of metric FN0103-05<sup>43</sup> to ensure the decision-usefulness of the metrics associated with the topic.

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<sup>42</sup> FN0103-07: Description of procedure or programs to provide adequate, clear, and transparent information about products and services, including risks, suitability, and conflicts of interest

<sup>43</sup> FN0103-05: Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others

## Summary of Change – Revise Metric and Revise Topic Name

The SASB revised provisional metric FN0103-05 from “Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others” to “Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.”

Note: For integrated banks, the guidance would be to report employees of the asset management segment. If the company is also involved in asset/wealth management, where the same metric is included, disclosure should include reporting by segment, not aggregated at the corporate level.

Additionally, the SASB has revised the topic name from Employee Inclusion to Employee Diversity & Inclusion to improve its representativeness of the associated metric and measured performance.

## Revision FN-AC:04 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Investment Management & Advisory

### 2017 Technical Agenda Item #2-34 Description

SASB is evaluating the revision of metric FN0103-17<sup>44</sup> to ensure the decision-usefulness and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB replaced metric:

FN0103-17: Percentage of total proxies voted, and number of proxy votes supporting environmental, social, and/or governance (ESG) shareholder proposals, including percentage resulting in company action

with metric:

Description of proxy voting and investee engagement policies and procedures

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<sup>44</sup> FN0103-17: Percentage of total proxies voted, and number of proxy votes supporting environmental, social, and/or governance (ESG) shareholder proposals, including percentage resulting in company action

## Revision FN-AC:05 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Investment Management & Advisory

### 2017 Technical Agenda Item #2-35 Description

SASB is evaluating the removal of metric FN0103-18<sup>45</sup> to ensure the relevance and cost-effectiveness of the metrics associated with the topic.

#### Summary of Change – Remove Metric

The SASB removed metric FN0103-18, “Ratio of embedded carbon dioxide emissions of proved hydrocarbon reserves held by investees to total assets under management.”

## Revision FN-AC:06 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Investment Management & Advisory

#### Summary of Change – Revise Metric

The SASB revised metric FN0103-15, “Discussion of how environmental, social, and governance (ESG) factors are integrated into investment analysis and decisions and of how this integration intersects with fiduciary duties” to “Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies.”

## Revision FN-AC:07 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #2-30 Description

SASB is evaluating the revision of metric FN0103-08<sup>46</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

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<sup>45</sup> FN0103-18: Ratio of embedded carbon dioxide emissions of proved hydrocarbon reserves held by investees to total assets under management

<sup>46</sup> FN0103-08: Amount of legal and regulatory fines and settlements associated with financial industry regulation and percentage that resulted from whistleblowing actions

## Summary of Change – Add Metric and Revise Metric

The SASB split metric:

FN0103-08: Amount of legal and regulatory fines and settlements associated with financial industry regulation and percentage that resulted from whistleblowing actions

into its quantitative and qualitative components:

FN0103-08: Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

with a new metric subsequently created to capture whistleblower policies:

Description of the whistleblower policies and procedures

## Revision FN-AC:08 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #2-31 Description

SASB is evaluating the revision of metric FN0103-09<sup>47</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Remove Metric

The SASB removed metric FN0103-09, “Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system, and percentage that were substantiated.”

## Revision FN-AC:09 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Management of the Legal & Regulatory Environment

### Summary of Change – Revise Topic Name

The SASB revised the provisional topic name from “Management of the Legal & Regulatory Environment” to “Business Ethics.”

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<sup>47</sup> FN0103-09: Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system, and percentage that were substantiated

## Revision FN-AC:10 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Systemic Risk Management

### 2017 Technical Agenda Item #2-32 Description

SASB is evaluating the revision of metrics FN0103-10,<sup>48</sup> FN0103-13,<sup>49</sup> and FN0103-14<sup>50</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB replaced the following provisional metrics:

FN0103-10: (1) Registered and (2) unregistered assets under management

FN0103-13: (1) Tier 1 common capital ratio (2) Tier 1 capital ratio (3) Total risk-based capital ratio (4) Tier 1 leverage ratio

FN0103-14: Basel III Liquidity Coverage Ratio (LCR)

with the following new metrics:

Percentage of open-end fund assets under management by category of liquidity classification

Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management

## Revision FN-AC:11 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Systemic Risk Management

### 2017 Technical Agenda Item #2-33 Description

SASB is evaluating the revision of metric FN0103-11<sup>51</sup> to ensure the alignment and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB replaced provisional metric FN0103-11, “Value of collateral received from securities lending and amount received from repurchase agreements involving clients’ assets” with “Total exposure to securities financing transactions.”

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<sup>48</sup> FN0103-10: (1) Registered and (2) unregistered assets under management

<sup>49</sup> FN0103-13: (1) Tier 1 common capital ratio (2) Tier 1 capital ratio (3) Total risk-based capital ratio (4) Tier 1 leverage ratio

<sup>50</sup> FN0103-14: Basel III Liquidity Coverage Ratio (LCR)

<sup>51</sup> FN0103-11: Value of collateral received from securities lending and amount received from repurchase agreements involving clients’ assets

## Revision FN-AC:12 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Employee Incentives & Risk Taking

### **2017 Technical Agenda Item #2-26 Description**

SASB is evaluating the removal of the topic, including the corresponding metrics FN0103-01,<sup>52</sup> FN0103-02,<sup>53</sup> FN0103-03,<sup>54</sup> and FN0103-04<sup>55</sup> based on investor interest and its potential to affect corporate value.

### **Summary of Change – Remove Topic and Metrics**

The SASB removed the topic Employee Incentives & Risk Taking, including the corresponding metrics:

FN0103-01: Discussion of variable compensation policies and practices

FN0103-02: Percentage of total compensation that is variable for: (1) executives and (2) all others

FN0103-03: Percentage of variable compensation that is equity for: (1) executives and (2) all others

FN0103-04: Percentage of employee compensation which includes ex-post adjustments for: (1) executives and (2) all others

## Revision FN-AC:13 – **Industry:** Asset Management & Custody Activities; **Topic Name:** Activity Metrics

### **2017 Technical Agenda Item #2-36 Description**

SASB proposes to include activity metrics for the Asset Management & Custody Activities industry.

### **Summary of Change – Add Activity Metrics**

The SASB added the following activity metrics: “Total (1) registered and (2) unregistered assets under management (AUM)” and “Total assets under custody and supervision.”

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<sup>52</sup> FN0103-01: Discussion of variable compensation policies and practices

<sup>53</sup> FN0103-02: Percentage of total compensation that is variable for: (1) executives and (2) all others

<sup>54</sup> FN0103-03: Percentage of variable compensation that is equity for: (1) executives and (2) all others

<sup>55</sup> FN0103-04: Percentage of employee compensation which includes ex-post adjustments for: (1) executives and (2) all others

# Revision FN-CF:01 – **Industry:** Consumer Finance; **Topic Name:** Customer Privacy & Data Security

## 2017 Technical Agenda Item #2-38 Description

SASB is evaluating revisions to the topic, including the corresponding metrics FN0201-03,<sup>56</sup> FN0201-04,<sup>57</sup> and FN0201-05,<sup>58</sup> due to its potential to affect corporate value, relevance across the industry, and interest among investors.

## Summary of Change – Revise Topic, Add and Revise Metrics

The SASB split the provisional disclosure topic “Customer Privacy & Data Security” into two separate topics -- “Customer Privacy” and “Data Security.”

For the Customer Privacy topic, the SASB added two new metrics:

Number of account holders whose information is used for secondary purposes

Total amount of monetary losses as a result of legal proceedings associated with customer privacy

For the Data Security topic, the SASB revised the provisional metrics per the following:

Provisional metric FN0201-03: “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected”<sup>59</sup>

Provisional metric FN0201-04: “Amount of fraudulent transaction activity, percentage from: (1) card-not-present fraud and (2) card-present and other fraud” to “Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud”

Provisional metric FN0201-05: “Description of data security and fraud prevention efforts related to new and emerging technologies and/or new and emerging threats” to “Description of approach to identifying and addressing data security risks”

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<sup>56</sup> FN0201-03: Number of data security breaches and percentage involving customers’ personally identifiable information

<sup>57</sup> FN0201-04: Amount of fraudulent transaction activity, percentage from: (1) card-not-present fraud and (2) card-present and other fraud

<sup>58</sup> FN0201-05: Description of data security and fraud prevention efforts related to new and emerging technologies and/or new and emerging threats

<sup>59</sup> See Revision FN-CF:02 which discusses the revision of the Provisional metric FN0201-03: “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected

## Revision FN-CF:02 – **Industry:** Consumer Finance; **Topic Name:** Customer Privacy & Data Security

### 2017 Technical Agenda Item #2-39 Description

SASB is evaluating the revision of metric FN0201-03<sup>60</sup> to ensure the decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric FN0201-03 from “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected.”

## Revision FN-CF:03 – **Industry:** Consumer Finance; **Topic Name:** Financial Inclusion

### 2017 Technical Agenda Item #2-37 Description

SASB is evaluating the removal of the topic, including corresponding metrics, due to its potential to affect corporate value, relevance across the industry, and interest among investors.

### Summary of Change – Remove Topic and Metrics

The SASB removed the provisional topic Financial Inclusion, along with its associated metrics:

- FN0201-01: Revenue from credit and debit products targeting unbanked and underbanked segments
- FN0201-02: Percentage of new accounts held by first-time credit card holders

## Revision FN-CF:04 – **Industry:** Consumer Finance; **Topic Name:** Transparent Information & Fair Advice for Customers / Responsible Lending & Debt Prevention

### 2017 Technical Agenda Item #2-40 Description

SASB is evaluating revisions to the topics, including the corresponding metrics, due to their potential to affect corporate value, relevance across the industry, and interest among investors.

### Summary of Change – Revise Topic and Associated Metrics

The SASB merged the topics Transparent Information & Fair Advice for Customers and Responsible Lending & Debt Prevention into a single disclosure topic called Selling Practices. The underlying metrics are listed below.

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<sup>60</sup> FN0201-03: Number of data security breaches and percentage involving customers’ personally identifiable information



Transparent Information & Fair Advice for Customers:

FN0201-06: Amount of legal and regulatory fines and settlements associated with disclosure, transparency, or marketing

FN0201-07: Payout ratio for add-on products

Responsible Lending & Debt Prevention:

FN0201-08: For customers with FICO scores above and below 640 (subprime): (1) average customer debt (2) average APR (3) mean and median age of accounts (4) average monthly full payment rate

FN0201-09: Percentage of applications accepted for applicants with FICO scores above and below 640 (subprime)

FN0201-10: Average annual fees per account for pre-paid transaction products

Within the new topic Selling Practices, the SASB revised several of the provisional metrics included in the topics being merged:

The SASB revised metric:

FN0201-06: Amount of legal and regulatory fines and settlements associated with disclosure, transparency, or marketing

to the following metric:

Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products

The SASB revised metric:

FN0201-08: For customers with FICO scores above and below 640 (subprime): (1) average customer debt (2) average APR (3) mean and median age of accounts (4) average monthly full payment rate

to the following metric:

(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660

Additionally, the SASB revised metric:

FN0201-09: Percentage of applications accepted for applicants with FICO scores above and below 640 (subprime)

to the following metric:

Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660

To capture performance on all the applicable aspects of the new Selling Practices topic, the SASB added two new metrics:

Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold

(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by consumer, (4) percentage resulted in investigation by the CFPB

## Revision FN-CF:05 – **Industry:** Consumer Finance; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #2-41 Description

SASB proposes to include activity metrics for the Consumer Finance industry.

### Summary of Change – Add Activity Metrics

The SASB added the following activity metrics:

Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account

Number of (1) credit card accounts and (2) pre-paid debit card accounts

## Revision FN-MF:01 – **Industry:** Mortgage Finance; **Topic Name:** Transparent Information & Fair Advice for Customers / Responsible Lending & Debt Prevention

### 2017 Technical Agenda Item #2-43 Description

SASB is evaluating revisions to the topics, including the corresponding metrics, due to their potential to affect corporate value, relevance across the industry, and interest among investors.

### Summary of Change – Revise Topics and Associated Metrics

The SASB merged two topics, Transparent Information & Fair Advice for Customer and Responsible Lending & Debt Prevention, into a single disclosure topic called Lending Practices. The underlying metrics for each provisional disclosure topic are listed below.

Transparent Information & Fair Advice for Customers:

FN0202-04: Description of variable compensation structure of loan originators

FN0202-05: Number and value of mortgages issued to minorities

FN0202-06: Number and value of mortgages provided to low or moderate-income individuals/families

FN0202-07: Amount of fines and settlements associated with violation of the mortgage industry provisions of Regulation Z (Truth in Lending Act) relating to communications to customers

Responsible Lending & Debt Prevention:

FN0202-08: Number and value of Qualified Mortgages (QMs), by minority status and income classification

FN0202-09: Number and value of mortgages of the following types: (1) Hybrid or Option ARM, (2) Prepayment Penalty, (3) Higher Rate; overall, by minority status, and by income classification

FN0202-10: Ratio of amount of first mortgage principal reduction to amount of foreclosed mortgages

FN0202-11: Number of (1) modifications, (2) foreclosures, (3) short sales or deeds in lieu of foreclosure, and (4) total mortgages

FN0202-12: Foreclosure rate by segment: subprime, non-subprime jumbo, non-subprime conventional, and nonconventional

Additionally, SASB executed the following changes to the metrics of the newly formed Lending Practices topic:

Revised metric FN0202-04 from "Description of variable compensation structure of loan originators" to "Description of remuneration structure of loan originators"

Revised metric FN0202-07 from "Amount of fines and settlements associated with violation of the mortgage industry provisions of Regulation Z (Truth in Lending Act) relating to communications to customers" to "Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators"

Revised metric FN0202-09 from "Number and value of mortgages of the following types: (1) Hybrid or Option ARM, (2) Prepayment Penalty, (3) Higher Rate; overall, by minority status, and by income classification" to "(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option ARM, (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above and below 660"

Revised metric FN0202-11 from "Number of (1) modifications, (2) foreclosures, (3) short sales or deeds in lieu of foreclosure, and (4) total mortgages" to "(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660"

Removed metric FN0202-05: Number and value of mortgages issued to minorities

Removed metric FN0202-06: Number and value of mortgages provided to low or moderate-income individuals/families

Removed metric FN0202-08: Number and value of Qualified Mortgages (QMs), by minority status and income classification

Removed metric FN0202-10: Ratio of amount of first mortgage principal reduction to amount of foreclosed mortgages

Removed metric FN0202-12: Foreclosure rate by segment: subprime, non-subprime jumbo, non-subprime conventional, and nonconventional

## Revision FN-MF:02 – **Industry:** Mortgage Finance; **Topic Name:** Discriminatory Lending

### 2017 Technical Agenda Item #2-44 Description

SASB is evaluating the addition of the topic, including corresponding metrics, based on investor interest and its potential to affect corporate value.

### Summary of Change – Add Topic and Metrics

The SASB added a disclosure topic, Discriminatory Lending, including the following corresponding metrics:

(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660

Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending

Description of policies and procedures for ensuring nondiscriminatory mortgage origination

The last metric is a modification of provisional metric FN0202-05, “Number and value of mortgages issued to minorities” included in the Transparent Information & Fair Advice for Customers disclosure topic (see Revision FN-MF:01).

## Revision FN-MF:03 – **Industry:** Mortgage Finance; **Topic Name:** Environmental Risk to Mortgaged Properties

### 2017 Technical Agenda Item #2-42 Description

SASB is evaluating the revision of metric FN0202-01<sup>61</sup> to ensure the relevance, applicability, and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric FN0202-01 from “Number and value of mortgage loans in Federal Emergency Management Agency (FEMA) special flood hazard areas” to “(1) Number and (2) value of mortgage loans in 100-year flood zones.”

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<sup>61</sup> FN0202-01: Number and value of mortgage loans in Federal Emergency Management Agency (FEMA) special flood hazard areas

## Revision FN-MF:04 – **Industry:** Mortgage Finance; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #2-45 Description

The SASB is evaluating the removal of the topic, including corresponding metrics, due to its potential to affect corporate value, relevance across the industry, and interest among investors.

### Summary of Change – Remove Topic and Metrics

The SASB removed the topic Management of the Legal & Regulatory Environment and its associated metric FN0202-13, “Amount of fines and settlements associated with mortgage industry regulations.”

## Revision FN-MF:05 – **Industry:** Mortgage Finance; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #2-46 Description

SASB proposes to include activity metrics for the Mortgage Finance industry.

### Summary of Change – Add Activity Metrics

The SASB added the following activity metrics:

- (1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial
- (1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial

## Revision FN-EX:01 – **Industry:** Security & Commodity Exchanges; **Topic Name:** Managing Business Continuity & Technology Risks

### 2017 Technical Agenda Item #2-47 Description

SASB is evaluating the revision of metric FN0203-09<sup>62</sup> to ensure the decision-usefulness of the metrics associated with the topic.

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<sup>62</sup> FN0203-09: Number of data security breaches and percentage involving customers' personally identifiable information

## Summary of Change – Revise Metric

The SASB revised provisional metric FN0203-09 from “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data breaches, percentage involving personally identifiable information (PII), number of customers affected.”

## Revision FN-EX:02 – **Industry:** Security & Commodity Exchanges; **Topic Name:** Activity Metrics

### 2017 Technical Agenda Item #2-48 Description

SASB proposes to include activity metrics for the Security & Commodity Exchanges industry.

### Summary of Change – Add Activity Metrics

The SASB added the following activity metrics:

Average daily number of trades executed, by product or asset class

Average daily volume traded, by product or asset class

## Revision FN-IN:01 – **Industry:** Insurance; **Topic Name:** Plan Performance

### 2017 Technical Agenda Item #2-53 Description

SASB is evaluating revisions to the topic, including the corresponding metrics, due to its potential to affect corporate value, relevance across the industry, and level of investor interest.

### Summary of Change – Revise Topic and Remove Metric

The SASB revised the topic name from “Plan Performance” to “Transparent Information & Fair Advice for Customers.”

Further, the SASB removed provisional metric FN0301-10, “Average number of days from reported claim to settlement of claim,” and added a new metric, “Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.”

In addition, the SASB updated provisional metric FN0301-11, “Description of efforts to provide information to new and returning customers in a clear and conspicuous manner” to “Description of approach to informing customers about products in a clear and transparent manner” with minor technical protocol changes to improve its structure.

## Revision FN-IN:02 – **Industry:** Insurance; **Topic Name:** Plan Performance

### **Summary of Change – Revise Metric**

The SASB revised the technical protocol of metric FN0301-08 “Complaints-to-claims ratio” to clarify that the scope of disclosure excludes complaints where the company was found to be in compliance and no action was required.

## Revision FN-IN:03 – **Industry:** Insurance; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Investment Management

### **2017 Technical Agenda Item #2-55 Description**

SASB is evaluating the addition of a metric to ensure the relevance, alignment, and decision-usefulness of the metrics associated with the topic.

### **Summary of Change – Add Metric**

The SASB added the following metric, “Total invested assets, by industry and asset class.”

## Revision FN-IN:04 – **Industry:** Insurance; **Topic Name:** Integration of Environmental, Social, and Governance Risk Factors in Investment Management

### **Summary of Change – Revise Metrics**

The SASB replaced metrics:

FN0301-16: Discussion of how environmental, social and governance (ESG) factors are integrated into the lending process

FN0301-17: Discussion of credit risk to the loan portfolio presented by climate change, natural resource constraints, human rights concerns, or other broad sustainability trends

with the following:

Description of approach to incorporation of Environmental, Social, and Governance (ESG) factors in investment management processes and strategies

## Revision FN-IN:05 – **Industry:** Insurance; **Topic Name:** Policies Designed to Incentivize Responsible Behavior

### **2017 Technical Agenda Item #2-52 Description**

SASB is evaluating the revision of metric FN0301-06<sup>63</sup> to ensure the relevance and cost-effectiveness of the metrics associated with the topic.

#### **Summary of Change – Revise Metric**

The SASB revised the technical protocol associated with metric FN0301-06, “Discussion of products or product features that incentivize health, safety, and/or environmentally responsible actions or behaviors,” by removing the note that asked companies to disclose how incentives to improve the climate resiliency and resource efficiency of properties or vehicles are considered in policy pricing.

## Revision FN-IN:06 – **Industry:** Insurance; **Topic Name:** Environmental Risk Exposure

### **2017 Technical Agenda Item #2-49 Description**

SASB is evaluating the revision of metric FN0301-01<sup>64</sup> to ensure the relevance, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

#### **Summary of Change – Revise Metric**

The SASB revised provisional metric FN0301-01 from “Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes, by insurance segment, type of event, and type of risk insured” to “Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.” In addition, the technical protocol was updated to include a breakdown by the probability of occurrence for 1-in-50, 1-in-100, and 1-in-250-year return periods, a breakdown by geographic region, a breakdown by net and gross of reinsurance, and a note requiring insurance companies to discuss how climate change-related impacts are integrated in catastrophe modeling, scenario analysis, and calculation of PML.

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<sup>63</sup> FN0301-06: Discussion of products or product features that incentivize health, safety, and/or environmentally responsible actions or behaviors

<sup>64</sup> FN0301-01: Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes, by insurance segment, type of event, and type of risk insured



## Revision FN-IN:07 – **Industry:** Insurance; **Topic Name:** Environmental Risk Exposure

### **2017 Technical Agenda Item #2-50 Description**

SASB is evaluating the revision of metrics FN0301-02<sup>65</sup> and FN0301-05<sup>66</sup> to ensure the alignment and cost-effectiveness of the metrics associated with the topic.

### **Summary of Change – Revise Metric and Remove Metric**

The SASB revised provisional metric FN0301-02 from “Total annual losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes” to “Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance).”

Additionally, the SASB removed metric FN0301-05, “Percentage of policies in which weather-related natural catastrophe risks have been mitigated through reinsurance and/or alternative risk transfer.”

## Revision FN-IN:08 – **Industry:** Insurance; **Topic Name:** Environmental Risk Exposure

### **2017 Technical Agenda Item #2-51 Description**

SASB is evaluating the revision of metric FN0301-03<sup>67</sup> to ensure the relevance and decision-usefulness of the metrics associated with the topic.

### **Summary of Change – Revise Metric**

The SASB added a bullet point to the technical protocol of metric FN0301-03, “Description of how environmental risks are integrated into: (1) The underwriting process for individual contracts; (2) The management of firm-level risks and capital adequacy,” to ask companies to provide disclosure of how incentives to improve the climate resiliency of properties or vehicles are considered in the pricing of policies. The SASB further revised the metric title to read “Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy.”

Additionally, the SASB revised the technical protocol of the metric to incorporate the discussion of time horizons over which the company assesses its exposure to climate-related impacts.

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<sup>65</sup> FN0301-02: Total annual losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes

<sup>66</sup> FN0301-05: Percentage of policies in which weather-related natural catastrophe risks have been mitigated through reinsurance and/or alternative risk transfer

<sup>67</sup> FN0301-03: Description of how environmental risks are integrated into: (1) The underwriting process for individual contracts (2) The management of firm-level risks and capital adequacy

## Revision FN-IN:09 – **Industry:** Insurance; **Topic Name:** Environmental Risk Exposure

### Summary of Change – Remove Metric

The SASB removed metric FN0301-04, “List of markets, regions, and/or events for which the registrant declines to voluntarily write coverage for weather-related natural catastrophe risks”

## Revision FN-IN:10 – **Industry:** Insurance; **Topic Name:** Systemic Risk Management

### 2017 Technical Agenda Item #2-54 Description

SASB is evaluating the revision of metrics FN0301-12,<sup>68</sup> FN0301-13,<sup>69</sup> FN0301-14,<sup>70</sup> and FN0301-15<sup>71</sup> to ensure the alignment, decision-usefulness, and cost-effectiveness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB removed the following provisional metrics:

FN0301-12: Non-policyholder liabilities

FN0301-13: (1) Notional amount of CDS protection sold, (2) notional amount of debt securities insured for financial guarantee, and (3) risk-in-force covered by mortgage guarantee insurance

FN0301-14: Value of collateral received from securities lending and amount received from repurchase agreements

FN0301-15: Amount of life and annuity liabilities that can be surrendered upon request: (1) Within three months without penalty (2) With penalties lower than 20 percent

and replaced them with the following new metrics:

Exposure to derivative instruments by category: (1) Total Potential Exposure to Non-centrally Cleared Derivatives, (2) Total Fair Value of Acceptable Collateral posted with the Central Clearinghouse, and (3) Total Potential Exposure to Centrally Cleared Derivatives

Fair value of securities lending collateral assets

Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities

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<sup>68</sup> FN0301-12: Non-policyholder liabilities

<sup>69</sup> FN0301-13: (1) Notional amount of CDS protection sold, (2) notional amount of debt securities insured for financial guarantee, and (3) risk-in-force covered by mortgage guarantee insurance

<sup>70</sup> FN0301-14: Value of collateral received from securities lending and amount received from repurchase agreements

<sup>71</sup> FN0301-15: Amount of life and annuity liabilities that can be surrendered upon request: (1) Within three months without penalty (2) With penalties lower than 20 percent

# Revision FN-IN:11 – **Industry:** Insurance; **Topic Name:** Activity Metrics

## **2017 Technical Agenda Item #2-56 Description**

SASB proposes to include activity metrics for the Insurance industry.

## **Summary of Change – Add Activity Metric**

The SASB added the following activity metric, “Number of policies in force by segment: (1) property and casualty, (2) life, and (3) assumed reinsurance.”



## Technology & Communications Sector

Electronic Manufacturing Services & Original Design Manufacturing

Software & IT Services

Hardware

Semiconductors

Telecommunication Services

Internet Media & Services

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## Revision TC-ES:01 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Water & Waste Management in Manufacturing

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Water & Waste Management in Manufacturing into two separate topics, Water Management and Waste Management.

The following metric is associated with the Water Management topic:

- TC-ES-140a.1 – Total water withdrawn, total water consumed, percentage in regions with High or Extremely High Baseline Water Stress<sup>72</sup>

The following metric is associated with the Waste Management topic:

- TC-ES-150a.1 – Amount of hazardous waste from manufacturing, percentage recycled<sup>73</sup>

## Revision TC-ES:02 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Water & Waste Management in Manufacturing

### Summary of Change – Revise Metric

The SASB revised provisional metric TC0101-01 from “Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress” to remove the component of the metric that measures water recycling, and replaced it with water consumption. The resulting metric is, “Total water withdrawn and total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.”

## Revision TC-ES:03 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Water & Waste Management in Manufacturing

### 2017 Technical Agenda Item #3-1 Description

SASB is evaluating the revision of the technical protocol for metric TC0101-02<sup>74</sup> to align with international standards.

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<sup>72</sup> The provisional version of this metric was TC0101-01 – Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress. Please see Revision TC-ES:02 for updates to this metric.

<sup>73</sup> The provisional version of this metric was TC0101-02 – Amount of hazardous waste from manufacturing, percentage recycled. Please see Revision TC-ES:03 for updates to this metric.

<sup>74</sup> TC0101-02: Amount of hazardous waste from manufacturing, percentage recycled

## Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with provisional metric TC0101-02, “Amount of hazardous waste from manufacturing, percentage recycled”, to define hazardous waste and hazardous waste recycled per the regulations prevalent at the point of waste generation. The revised approach changed the requirement to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. Environmental Protection Agency’s (EPA) Resource Conservation and Recovery Act (RCRA). Additionally, the SASB included a disclosure requirement to report the hazardous waste regulations that were used to classify the company’s waste.

## Revision TC-ES:04 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Fair Labor Practices

### Summary of Change – Split Topic

The SASB split provisional disclosure topic Fair Labor Practices into two separate topics - Labor Practices and Labor Conditions - with the following metrics:

#### Labor Practices

- TC-ES-310a.1 – Number and total duration of work stoppages<sup>75</sup>

#### Labor Conditions

- TC-ES-320a.1 – (1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees<sup>76</sup>
- TC-ES-320a.2 – Percentage of (1) registrant’s facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities<sup>77</sup>
- TC-ES-320a.3 – Tier 1 suppliers’ (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances<sup>78</sup>

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<sup>75</sup> The provisional version of this metric was TC0101-04 – Number and total duration of work stoppages.

<sup>76</sup> The provisional version of this metric was TC0101-03 – (1) Total Recordable Injury Rate (TRIR) and (2) Near Miss Frequency Rate (NMFR) for (a) full time employees and (b) contract employees.

<sup>77</sup> The provisional version of this metric was TC0101-05 – Percentage of (a) facilities and (b) suppliers facilities audited in the EICC Validated Audit Process (VAP) or to an equivalent social and environmental responsibility code of conduct. Please see Revision TC-ES:05 for revisions to this metric.

<sup>78</sup> The provisional version of this metric was TC0101-06 – Social and environmental responsibility audit compliance for (a) registrant and (b) suppliers: (1) priority non-conformance rate and associated corrective action rate, and (2) other nonconformances rate and associated corrective action rate.

## Revision TC-ES:05 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Fair Labor Practices

### **Summary of Change – Revise Metric**

The SASB revised provisional metric TC0101-05, “Percentage of (a) facilities and (b) supplier’s facilities audited in the EICC Validated Audit Process (VAP) or to an equivalent social and environmental responsibility code of conduct,” to include explicit disclosure on high-risk facilities, as opposed to the provisional metric that did not distinguish between all facilities versus high-risk facilities. The resulting metric is, “Percentage of (1) registrant’s facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities.”

## Revision TC-ES:06 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Product Lifecycle Management

### **Summary of Change – Revise Topic & Remove Metrics**

The SASB revised the scope of the Product Lifecycle Management topic to focus on the operational activities that companies in the industry have direct control over. Additionally, the SASB removed the following provisional metrics:

- TC0101-07 – Percentage of products by revenue that contain IEC 62474 declarable substances
- TC0101-08 – Percentage of eligible products by revenue meeting the requirements for EPEAT® certification or equivalent

## Revision TC-ES:07 **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Supply Chain Management & Materials Sourcing

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic Supply Chain Management & Materials Sourcing to Materials Sourcing.

## Revision TC-ES:08 – **Industry:** Electronic Manufacturing Services & Original Design Manufacturing; **Topic Name:** Supply Chain Management & Materials Sourcing

### Summary of Change – Revise Topic and Revise Metrics

The SASB revised the scope of the Supply Chain Management & Materials Sourcing<sup>79</sup> topic to improve the representation of potential financial impacts stemming from risks and opportunities related to resource scarcity. The SASB also removed two provisional metrics:

- TC0101-10 – Percentage of products by revenue that contain critical materials
- TC0101-11 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

Additionally, the SASB removed conflict minerals as an explicit, required element of provisional metric TC0101-12, “Discussion of the management of risks associated with the use of critical materials and conflict minerals” and revised the technical protocol to require companies to identify which primary critical materials present risk to their operations.

## Revision TC-SI:01 – **Industry:** Software & IT Services; **Topic Name:** Environmental Footprint of Hardware Infrastructure

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with provisional metric TC0102-01<sup>80</sup> to ensure that regional measures of renewable energy—such as Guarantees of Origin (GOs), the EU equivalent of the United States’ Renewable Energy Certificates (REC) (both units of renewable energy credits)—are accounted for.

## Revision TC-SI:02 – **Industry:** Software & IT Services; **Topic Name:** Environmental Footprint of Hardware Infrastructure

### Summary of Change – Revise Metric

The SASB revised provisional metric TC0102-02 from “Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress” to remove the component of the metric that measures water recycling, and replace it with water consumption. The resulting metric is, “(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.”

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<sup>79</sup> See Revision TC-ES-07 for the revised topic name.

<sup>80</sup> TC0102-01 – Total energy consumed, percentage grid electricity, percentage renewable energy



## Revision TC-SI:03 – **Industry:** Software & IT Services; **Topic Name:** Data Privacy & Freedom of Expression

### **Summary of Change – Revise Metric**

The SASB revised metric TC0102-05 “Percentage of users whose customer information is collected for secondary purpose, percentage who have opted in,” to “Number of users whose information is used for secondary purposes.”

## Revision TC-SI:04 – **Industry:** Software & IT Services; **Topic Name:** Data Privacy & Freedom of Expression

### **Summary of Change – Revise Metric**

The SASB revised provisional metric TC0102-07 from “Number of government or law enforcement requests for customer information, percentage resulting in disclosure” to “(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure.”

## Revision TC-SI:05 – **Industry:** Software & IT Services; **Topic Name:** Data Security

### **Summary of Change – Revise Metric**

The SASB revised provisional metric TC0102-09 from “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data security breaches, percentage involving personally identifiable information (PII), number of users affected.”

## Revision TC-SI:06 – **Industry:** Software & IT Services; **Topic Name:** Data Security

### **Summary of Change – Revise Metric**

The SASB revised provisional metric:

TC0102-10 Discussion of management approach to identifying and addressing data security risks

to the following metric:

Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards

## Revision TC-SI:07 – **Industry:** Software & IT Services; **Topic Name:** Recruiting & Managing a Global, Diverse & Skilled

## Workforce

### Summary of Change – Revise Metric

The SASB revised the technical protocol for provisional metric TC0102-13 “Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others” to “Percentage of gender and racial/ethnic group representation for: (1) executives (2) technical employees and (3) all others.” Further, the SASB updated the reporting guidance to require gender breakdown globally but racial/ethnic breakdown per the U.S. Equal Employment Opportunity Commission (EEOC)’s EEO-1 Job Classification Guide categories only in the United States. The technical protocol was revised to specify that companies should describe their policies for promoting inclusivity and fostering equitable employee representation across their global operations.

### Revision TC-SI:08 – **Industry:** Software & IT Services; **Topic Name:** Intellectual Property Protection & Competitive Behavior

#### Summary of Change – Remove Metric

The SASB removed provisional metric TC0102-16 “Number of patent litigation cases, number successful, and number as patent holder.”

### Revision TC-HW:01 – **Industry:** Hardware; **Topic Name:** Employee Inclusion

#### Summary of Change – Revise Metric

The SASB revised the technical protocol for the provisional metric TC0103-02 “Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others” to “Percentage of gender and racial/ethnic group representation for: (1) executives, (2) technical employees, and (3) all others.” SASB has updated the reporting guidance to require gender breakdown globally but racial/ethnic breakdown per the U.S. Equal Employment Opportunity Commission (EEOC)’s EEO-1 Job Classification Guide categories only in the United States. Additionally, the SASB revised the technical protocol to specify that companies should describe their policies for promoting inclusivity and fostering equitable employee representation across their global operations.

### Revision TC-HW:02 – **Industry:** Hardware; **Topic Name:** Supply Chain Management & Materials Sourcing

#### Summary of Change – Topic Split

The SASB split the disclosure topic Supply Chain Management & Materials Sourcing into two separate topics, Supply Chain Management and Materials Sourcing, with the following metrics:

The following metrics are associated with the Supply Chain Management topic:

- TC-HW-430a.1 – Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities<sup>81</sup>
- TC-HW-430a.2 – Tier 1 suppliers’ (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances<sup>82</sup>

The following metric is associated with the Materials Sourcing topic:

- TC-HW-440a.2 – Discussion of the management of risks associated with the use of critical materials<sup>83</sup>

## Revision TC-HW:03 **Industry:** Hardware; **Topic Name:** Supply Chain Management & Materials Sourcing

### Summary of Change – Revise Metric

The SASB revised provisional metric TC0103-10, “Percentage of suppliers audited in the EICC Validated Audit Process (VAP) or to an equivalent social and environmental responsibility code of conduct,” to include explicit disclosure on high-risk facilities, as opposed to the provisional metric that did not distinguish between all facilities versus high-risk facilities. The resulting metric is, “Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities.”

## Revision TC-HW:04 – **Industry:** Hardware; **Topic Name:** Supply Chain Management & Materials Sourcing

### Summary of Change – Revise Topic and Remove Metrics

The SASB revised the scope of the Materials Sourcing (see Revision TC-HW:02 for the associated topic split) to improve the representation of potential financial impacts stemming from risks and opportunities related to resource scarcity. As a result of this topic revision, the SASB also removed two provisional metrics:

- TC0103-07 – Percentage of products by revenue that contain critical materials and conflict minerals
- TC0103-08 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

Additionally, the SASB removed conflict minerals as an explicit, required element of provisional metric TC0103-09, “Discussion of the management of risks associated with the use of critical materials and conflict minerals” and

<sup>81</sup> The provisional version of this metric was TC0103-10 – Percentage of suppliers audited in the EICC Validated Audit Process (VAP) or to an equivalent social and environmental responsibility code of conduct. Please see Revision TC-HW:03 for an update to this metric.

<sup>82</sup> The provisional version of this metric was TC0103-11 – Suppliers’ social and environmental responsibility audit compliance: (1) priority non-conformance rate and associated corrective action rate, and (2) other non-conformances rate and associated corrective action rate.

<sup>83</sup> The provisional version of this metric was TC0103-08 – Discussion of the management of risks associated with the use of critical materials and conflict minerals. Please see Revision TC-HW:04 for an update to this metric.

revised the technical protocol to require companies to identify which primary critical materials present risk to their operations.

## Revision TC-SC:01 – **Industry:** Semiconductors; **Topic Name:** Water & Waste Management

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Water & Waste Management in Manufacturing into two separate topics, Water Management and Waste Management.

The following metric is associated with the Water Management topic:

- TC-SC-140a.1 – Total water withdrawn, total water consumed, percentage in regions with High or Extremely High Baseline Water Stress<sup>84</sup>

The following metric is associated with the Waste Management topic:

- TC-SC-150a.1 – Amount of hazardous waste from manufacturing, percentage recycled<sup>85</sup>

## Revision TC-SC:02 – **Industry:** Semiconductors; **Topic Name:** Water & Waste Management

### Summary of Change – Revise Metric

The SASB revised provisional metric TC0201-03 from “Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress” to remove the component of the metric that measures water recycling, and replace it with water consumption. The resulting metric is, “Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.”

## Revision TC-SC:03 – **Industry:** Semiconductors; **Topic Name:** Water & Waste Management

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with provisional metric TC0201-05, “Amount of hazardous waste from manufacturing, percentage recycled,” to define hazardous waste and hazardous waste recycled per the regulations prevalent at the point of waste generation. The revised approach changed the requirement to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. Environmental

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<sup>84</sup> The provisional version of this metric was TC0201-04 – Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress. Please see Revision TC-SC:02 for updates to this metric.

<sup>85</sup> The provisional version of this metric was TC0201-05 – Amount of hazardous waste from manufacturing, percentage recycled. Please see Revision TC-SC:03 for updates to this metric.

Protection Agency's (EPA) Resource Conservation and Recovery Act (RCRA). Additionally, the SASB included a disclosure requirement to report the hazardous waste regulations that were used to classify the company's waste.

## Revision TC-SC:04 – **Industry:** Semiconductors; **Topic Name:** Supply Chain Management & Materials Sourcing

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic from Supply Chain Management & Materials Sourcing to Materials Sourcing.

## Revision TC-SC:05 – **Industry:** Semiconductors; **Topic Name:** Supply Chain Management & Materials Sourcing

### **Summary of Change – Revise Topic and Remove Metrics**

The SASB revised the scope of the Supply Chain & Materials Sourcing<sup>86</sup> to improve the representation of potential financial impacts stemming from risks and opportunities related to resource scarcity. As a result of this topic revision, the SASB also removed two provisional metrics:

- TC0201-11 – Percentage of products by revenue that contain critical materials
- TC0201-12 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

Additionally, the SASB removed conflict minerals as an explicit, required element of provisional metric TC0103-09, "Discussion of the management of risks associated with the use of critical materials and conflict minerals" and revised the technical protocol to require companies to identify which primary critical materials present risk to their operations.

## Revision TC-SC:06 – **Industry:** Semiconductors; **Topic Name:** Intellectual Property Protection & Competitive Behavior

### **Summary of Change – Remove Metric**

The SASB removed metric TC0201-14 "Number of patent litigation cases, number successful, and number as patent holder."

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<sup>86</sup> See Revision TC-SC:04 for the topic name change.

Revision TC-IM:01 – **Industry:** Internet Media & Services;  
**Topic Name:** Environmental Footprint of Hardware  
Operations

**Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol associated with provisional metric TC0401-01<sup>87</sup> to ensure that regional measures of renewable energy—such as Guarantees of Origin (GOs), the EU equivalent of the United States’ Renewable Energy Certificates (REC) (both units of renewable energy credits)—are accounted for.

Revision TC-IM:02 – **Industry:** Internet Media & Services;  
**Topic Name:** Environmental Footprint of Hardware  
Infrastructure

**Summary of Change – Revise Metric**

The SASB revised provisional metric TC0401-02 from “Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress” to remove the component of the metric that measures water recycling, and replace it with water consumption. The resulting metric is, “(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.”

Revision TC-IM:03 – **Industry:** Internet Media & Services;  
**Topic Name:** Data Privacy, Advertising Standards &  
Freedom of Expression

**Summary of Change – Revise Metric**

The SASB revised metric TC0401-05 “Percentage of users whose customer information is collected for secondary purpose, percentage who have opted-in” to “Number of users whose information is used for secondary purposes.”

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<sup>87</sup> The provisional version of this metric was TC0401-01 – Total energy consumed, percentage grid electricity, percentage renewable energy.

Revision TC-IM:04– **Industry:** Internet Media & Services;  
**Topic Name:** Data Privacy, Advertising Standards & Freedom of Expression

**Summary of Change – Revise Metric**

The SASB revised provisional metric TC0401-07 from “Number of government or law enforcement requests for customer information, percentage resulting in disclosure” to “(1) Number of government or law enforcement requests for customer information, (2) number of records requested, (3) percentage resulting in disclosure.”

Revision TC-IM:05 – **Industry:** Internet Media & Services;  
**Topic Name:** Data Security

**Summary of Change – Revise Metric**

The SASB revised provisional metric TC0401-10 from “Number of data security breaches and percentage involving customers’ personally identifiable information” to “Number of data security breaches, percentage involving personally identifiable information (PII), number of users affected.”

Revision TC-IM:06 – **Industry:** Internet Media & Services;  
**Topic Name:** Data Security

**Summary of Change – Revise Metric**

The SASB revised provisional metric:

TC0401-11 Discussion of management approach to identifying and addressing data security risks

to the following metric:

Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards

Revision TC-IM:07 – **Industry:** Internet Media & Services;  
**Topic Name:** Employee Recruitment, Inclusion & Performance

**Summary of Change – Revise Metric**

The SASB has revised the technical protocol for the provisional metric TC0401-14, “Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others” to “Percentage of gender and racial/ethnic group representation for: (1) executives (2) technical employees and (3) all others” Further, SASB has updated the reporting guidance to require gender breakdown globally but racial/ethnic breakdown per the U.S. Equal

Employment Opportunity Commission (EEOC)'s EEO-1 Job Classification Guide categories only in the United States. Additionally, the SASB revised the technical protocol to specify that companies should describe their policies for promoting inclusivity and fostering equitable employee representation across their global operations.

## Revision TC-IM:08 – **Industry:** Internet Media & Services; **Topic Name:** Intellectual Property Protection & Competitive Behavior

### **Summary of Change – Remove Metric**

The SASB removed metric TC0401-15 “Number of patent litigation cases, number successful, and number as patent holder.”





## Extractives & Minerals Processing Sector

Oil & Gas - Exploration & Production

Oil & Gas - Midstream

Oil & Gas - Refining & Marketing

Oil & Gas - Services

Coal Operations

Iron & Steel Producers

Metals & Mining

Construction Materials

Prepared by the  
Sustainability Accounting Standards Board®

## Revision EM-EP:01 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Activity Metrics

### **Summary of Change – Revise Metrics**

The SASB revised activity metric NR0101-A from "Wellhead production of (1) conventional oil, (2) unconventional oil, (3) conventional gas, and (4) unconventional gas" to "Production of (1) oil (2) natural gas (3) synthetic oil and (4) synthetic gas"

## Revision EM-EP:02 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Greenhouse Gas Emissions

### **2017 Technical Agenda Item #4-1 Description**

SASB is evaluating the revision of metric NR0101-01<sup>88</sup> to ensure the usefulness and alignment with external standards of the metrics associated with the topic.

### **Summary of Change – Revise Metrics**

The SASB revised metric NR0101-01 from "Gross global Scope 1 emissions, percentage covered under a regulatory program, percentage by hydrocarbon resource" to "Gross global Scope 1 emissions, percentage methane, and percentage covered under emissions-limiting regulations."

## Revision EM-EP:03 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Greenhouse Gas Emissions

### **2017 Technical Agenda Item #4-2 Description**

SASB is evaluating the revision of the technical protocol associated with metric NR0101-02<sup>89</sup> to ensure the metric offers a representative measurement of performance on the topic.

### **Summary of Change – Revise Metrics**

The SASB revised metric NR0101-02 from, "Amount of gross global Scope 1 emissions from: (1) combustion, (2) flared hydrocarbons, (3) process emissions, (4) directly vented releases, and (5) fugitive emissions/leaks" to, "Amount of gross global Scope 1 emission from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, (5) fugitive emissions"

## Revision EM-EP:04 – **Industry:** Oil & Gas – Exploration &

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<sup>88</sup> **NR0101-01:** Gross global Scope 1 emissions, percentage covered under a regulatory program, percentage by hydrocarbon resource

<sup>89</sup> **NR0101-02:** Amount of gross global Scope 1 emissions from: (1) combustion, (2) flared hydrocarbons, (3) process emissions, (4) directly vented releases, (5) fugitive emissions/leaks

## Production; **Topic Name:** Greenhouse Gas Emissions

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol associated with metric NR0101-03 to provide additional specificity with respect to company strategies to manage emissions.

## Revision EM-EP:05 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Water Management

### **Summary of Change – Revise Metrics**

The SASB revised metric NR0101-05 from "Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress," to "1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress"

## Revision EM-EP:06 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Water Management

### **2017 Technical Agenda Item #4-3 Description**

SASB is evaluating the revision of the technical protocol associated with metric NR0101-08<sup>90</sup> to improve the measurability.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol associated with metric NR0101-08 to eliminate redundancy with respect to water sampling methodologies and further clarify the guidance related to water sampling requirements.

## Revision EM-EP:07 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Biodiversity Impacts

### **Summary of Change – Revise Metric**

The SASB revised metric NR0101-10 from "Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume near shorelines with ESI rankings 8-10, volume recovered" to "Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, volume recovered."

## Revision EM-EP:08 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Biodiversity Impacts

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<sup>90</sup> **NR0101-08:** Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline

## Summary of Change – Revise Metric

The SASB revised metric NR0101-11 from “(1) Proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat” to “Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat.”

## Revision EM-EP:09 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Biodiversity Impacts

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with metric NR0101-11 to clarify the scope of the metric with respect to transient migratory passage of endangered species.

## Revision EM-EP:10 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Security, Human Rights, and the Rights of Indigenous Peoples

### 2017 Technical Agenda Item #4-4 Description

SASB is evaluating the revision of the technical protocol associated with metric NR0101-13<sup>91</sup> to improve the measurability.

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for metric NR0101-13 to include a reference to the United Nations Declaration on the Rights of indigenous peoples and International Labour Organization (ILO) with respect to the identification of indigenous peoples.

## Revision EM-EP:11 – **Industry:** Oil & Gas - Exploration & Production; **Topic Name:** Security, Human Rights, and the Rights of Indigenous Peoples

### Summary of Change – Revise Metrics

The SASB revised metric NR0101-12 from “(1) Proved and (2) probable reserves in or near areas of conflict” to “Percentage of (1) proved and (2) probable reserves in or near areas of conflict.” In addition, the SASB changed metric NR0101-13 from “(1) Proved and (2) probable reserves in or near indigenous land” to “Percentage of (1) proved and (2) probable reserves in or near indigenous land.”

## Revision EM-EP:12 – **Industry:** Oil & Gas – Exploration &

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<sup>91</sup> NR0101-13: (1) Proved and (2) probable reserves in or near indigenous land

## Production; **Topic Name:** Security, Human Rights, and the Rights of Indigenous Peoples

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for metric NR0101-14 to include a discussion of company establishment of community agreements and project grievance mechanisms, where relevant. The SASB additionally revised the technical protocol to include a discussion of any region or country-specific variation in the application of human rights practices and procedures, as well as the extent to which such practices and procedures can be extended to business partners, including joint venture partners.

## Revision EM-EP:13 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Health, Safety, and Emergency Management

### **2017 Technical Agenda Item #4-5 Description**

SASB is evaluating the revision of metric NR0101-17<sup>92</sup> associated with the topic to improve its usefulness and to align with external standards.

### **Summary of Change – Revise Metrics**

The SASB revised metric NR0101-17 from “(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate for (a) full-time employees, (b) contract employees, and (c) short-service employees,” to “(1) Total Recordable Incident Rate (TRIR), (2) Fatality Rate, (3) Near Miss Frequency Rate (NMFR), and (4) Average hours of Health, Safety, and Emergency Response Training for (a) full-time employees, (b) contract employees, and (c) short-service employees.”

## Revision EM-EP:14 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Health, Safety, and Emergency Management

### **2017 Technical Agenda Item #4-6 Description**

SASB is evaluating splitting the topic to improve the quality and clarity of the Standard.

### **Summary of Change – Split Topic**

The SASB split the topic Health, Safety, and Emergency Management into Workforce Health and Safety, related to Human Capital and Critical Incident Risk Management, related to Leadership and Governance.

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<sup>92</sup> **NR0101-17:** (1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate for (a) full-time employees, (b) contract employees, and (c) short-service employees

For the Workforce Health & Safety topic, metric NR0101-19 was modified from, “Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout the exploration and production lifecycle,” to “Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle.” Metric NR0101-18 was removed from this topic.

For the Critical Incident Risk Management topic, metric NR0101-18 was added and renumbered appropriately. A new metric was added describing, “Discussion of management systems used to identify and mitigate catastrophic and tail-end risks.”

## Revision #EM-EP:15 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Reserves Valuation and Capital Expenditures

### **2017 Technical Agenda Item #4-8 Description**

SASB is evaluating the revision of the technical protocol associated with metric NR0101-22<sup>93</sup> to improve the completeness and relevance.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol associated with metric NR0101-22 to clarify the definition of the sensitivity analysis to be performed using the International Energy Agency’s (IEA) most recently published scenarios. In addition, the revised protocol provides the company with the opportunity to consider additional scenarios defined by the company if it chooses to disclose these supplemental scenarios.

## Revision EM-EP:16 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Reserves Valuation and Capital Expenditures

### **2017 Technical Agenda Item #4-9 Description**

SASB is evaluating the addition of a metric to improve the usefulness, representativeness, and completeness of the metrics associated with the topic.

### **Summary of Change – Add Metric**

The SASB added a metric to the Reserves Valuation and Capital Expenditures topic, describing the “Amount invested in renewable energy, revenue generated by renewable energy sales.”

## Revision EM-EP:18 – **Industry:** Oil & Gas - Exploration &

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<sup>93</sup> **NR0101-22:** Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions

## Production; **Topic Name:** Business Ethics & Payments Transparency

### **Summary of Change – Revise Metrics**

The SASB revised metric NR0101-20 from “(1) Proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index” to “Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index”

## Revision EM-EP:19 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Business Ethics & Payments Transparency

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol associated with metric NR0101-21 to clarify the scope of the metric with respect to management systems to prevent corruption and bribery as well as to include a discussion of applicable regulatory regimes a company may be subject to with respect to payment transparency requirements.

## Revision EM-EP:20 – **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Business Ethics & Payments Transparency

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic Business Ethics & Payments Transparency to Business Ethics & Transparency.

## Revision EM-EP:21– **Industry:** Oil & Gas – Exploration & Production; **Topic Name:** Management of the Legal & Regulatory Environment

### **2017 Technical Agenda Item #4-10 Description**

SASB is evaluating revisions to metrics NR0101-25<sup>94</sup> and NR0101-26<sup>95</sup> to improve the cost-effectiveness and materiality of the Standard.

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<sup>94</sup> NR0101-25: Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations

<sup>95</sup> NR0101-26: Five largest political, lobbying, or tax-exempt group expenditures

## Summary of Change – Revise Metrics

The SASB replaced the two quantitative metrics associated with the Management of the Legal and Regulatory Environment topic:

NR0101-25 – Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations

NR0101-26 – Five largest political, lobbying, or tax-exempt group expenditures

With the following qualitative metric:

Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry

The technical protocol of the revised metric describes the scope of the disclosure, including the risks and opportunities that may result from legislation or regulation related to environmental and social factors that are likely to be material based on industry-specific characteristics. The topic description was additionally revised to align with the scope of the revised metric.

## Revision EM-MD:01 – **Industry:** Oil & Gas – Midstream; **Topic Name:** Greenhouse Gas & Other Air Emissions

### 2017 Technical Agenda Item #4-12 Description

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### Summary of Change – Split Topic

The SASB split the topic Greenhouse Gas & Other Air Emissions into Greenhouse Gas Emissions and Air Quality.

Metric NR0102-01, “Gross global Scope 1 emissions, percentage covered under a regulatory program” and NR0102-02, “Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets” are now associated with the GHG Emissions topic.

Metric NR0102-03, “Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, volatile organic compounds (VOCs), and particulate matter (PM)” is now associated with the Air Quality topic.

## Revision EM-MD:02 – **Industry:** Oil & Gas – Midstream; **Topic Name:** Greenhouse Gas & Other Air Emissions



## 2017 Technical Agenda Item #4-11 Description

SASB is evaluating the revision of metric NR0102-01<sup>96</sup> to ensure the decision-usefulness and alignment with other standards of the metrics associated with the topic.

### Summary of Change – Revise Metrics

The SASB revised metric NR0102-01 from “Gross global Scope 1 emissions, percentage covered under a regulatory program,” to “Gross global Scope 1 emissions, percentage methane, and percentage covered under an emissions-limiting regulatory program.”

Revision EM-MD:03 – **Industry:** Oil & Gas – Midstream;  
**Topic Name:** Greenhouse Gas & Other Air Emissions

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with metric NR0102-02 to provide additional guidance with respect to provide additional specificity with respect to company strategies to manage emissions.

Revision EM-MD:04 – **Industry:** Oil & Gas – Midstream;  
**Topic Name:** Ecological Impacts

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with metric NR0102-04 to provide additional guidance with respect to reference to company management of risks related to the quantitative disclosures defined in metrics NR0102-05, NR0102-06, and NR0102-07

Revision EM-MD:05 – **Industry:** Oil & Gas – Midstream;  
**Topic Name:** Operational Safety, Emergency Preparedness, and Response

## 2017 Technical Agenda Item #4-13 Description

SASB is evaluating the addition of a metric to ensure the usefulness, completeness, and representativeness of the metrics associated with the topic.

### Summary of Change – Add Metric

The SASB added a metric to the Operational Safety, Emergency Preparedness, and Response topic describing, “Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected.”

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<sup>96</sup> NR0102-01: Gross global Scope 1 emissions, percentage covered under a regulatory program

## Revision EM-RM:01 – **Industry:** Oil & Gas – Refining & Marketing; **Topic Name:** Water Management

### **2017 Technical Agenda Item #4-14 Description**

SASB is evaluating revisions to the water quality metric NR0103-06<sup>97</sup> to improve its decision-usefulness.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric NR0103-06, “Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision EM-RM:02 – **Industry:** Oil & Gas – Refining & Marketing; **Topic Name:** Hazardous Materials Management

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric NR0103-07, “Amount of hazardous waste from operations, percentage hazardous,” to allow companies to report hazardous waste and hazardous waste recycled where hazardous waste is defined by local regulation at the point of waste generation.

## Revision EM-RM:03 – **Industry:** Oil & Gas – Refining & Marketing; **Topic Name:** Health, Safety, and Emergency Management

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric NR0103-09, “(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate for (a) full-time employees and (b) contract employees,” to better define the terms “employee,” “contractor,” and “near miss.”

## Revision EP-RM:04 – **Industry:** Oil & Gas – Refining & Marketing; **Topic Name:** Health, Safety, and Emergency Management

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<sup>97</sup> NR0103-06: Number of incidents of non-compliance with water quality permits, standards, and regulations

## 2017 Technical Agenda Item #4-15 Description

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### Summary of Change – Split Topic

The SASB split the provisional topic Health, Safety, and Emergency Management into Workforce Health & Safety, related to Human Capital; and Critical Incident Risk Management, related to Leadership and Governance.

For the Workforce Health & Safety topic, the existing, provisional metric NR0103-09, “(1) Total Recordable Incident Rate (TRIR), (2) Near Miss Frequency Rate (NMFR), and (3) Fatality Rate for: (a) full-time employees and (b) contract employees” will be retained and a Discussion and Analysis metric, “Discussion of management systems used to integrate a culture of safety,” were added.

The Critical Incident Risk Management topic includes provisional metrics NR0103-10 (to be renumbered) called “Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2),” NR0103-11 (to be renumbered) called “Challenges to Safety Systems indicator rate (Tier 3);” and NR0103-12 (to be renumbered) called “Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators.”

## Revision EP-RM:05 – **Industry:** Oil & Gas – Refining & Marketing; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #4-16 Description

SASB is evaluating the revisions to the metrics NR0103-16<sup>98</sup> and NR0103-17<sup>99</sup> to improve the cost-effectiveness and materiality of the standard.

### Summary of Change – Revise Metrics

The SASB replaced the two quantitative provisional metrics associated with the Management of the Legal and Regulatory Environment topic:

NR0101-16 – Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations

NR0101-17 – Five largest political, lobbying, or tax-exempt group expenditures

With the following qualitative metric:

Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry

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<sup>98</sup> NR0103-16: Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations

<sup>99</sup> NR0103-17: Five largest political, lobbying, or tax-exempt group expenditures

The technical protocol of the revised metric describes the scope of the disclosure, including the risks and opportunities that may result from legislation or regulation related to environmental and social factors, which are likely to be material based on industry-specific characteristics. The topic description was additionally revised to align with the scope of the revised metric.

of the standard, as the standard is more succinct and, thus, less costly to implement.

## Revision EM-SV:01 – **Industry:** Oil & Gas – Services; **Topic Name:** Activity Metrics

### **2017 Technical Agenda Item #4-17 Description**

SASB is evaluating the addition of an activity metric to facilitate normalization of SASB’s accounting metrics in a decision-useful, cost-effective manner.

#### **Summary of Change – Add Metric**

The SASB added an activity metric to the Oil & Gas – Services industry standard for the “Total number of hours worked by all employees.”

## Revision EM-SV:02 – **Industry:** Oil & Gas – Services; **Topic Name:** Water Management

### **2017 Technical Agenda Item #4-18 Description**

SASB is evaluating the revision of metric NR0104-04<sup>100</sup> to ensure the representativeness and applicability of the metrics associated with the topic.

#### **Summary of Change – Revise Metric**

The SASB revised metric NR0104-04 from “Average volume of water used per volume of gas or oil extracted by (1) fresh water and (2) recycled water,” to “Total volume of fresh water handled in operations, percentage recycled.”

## Revision EM-SV:03 – **Industry:** Oil & Gas – Services; **Topic Name:** Chemicals Management

### **2017 Technical Agenda Item #4-19 Description**

SASB is evaluating the revision of metric NR0104-06<sup>101</sup> to ensure the representativeness and applicability of the metrics associated with the topic.

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<sup>100</sup> **NR0104-04:** Average volume of water used per volume of gas or oil extracted by (1) fresh water and (2) recycled water

<sup>101</sup> **NR0104-06:** Average amount of hydraulic fracturing fluid and proppant consumed per volume of gas or oil extracted

## Summary of Change – Revise Metrics

The SASB revised metric NR0104-06 from “Average amount of hydraulic fracturing fluid and proppant consumed per volume of gas or oil extracted,” to “Total volume of hydraulic fracturing fluid used, percentage hazardous.”

## Revision EM-SV:04 – **Industry:** Oil & Gas – Services; **Topic Name:** Chemicals Management

### 2017 Technical Agenda Item #4-20 Description

SASB is evaluating the removal of metric NR0104-07<sup>102</sup> to ensure the representativeness and applicability of the metrics associated with the topic.

## Summary of Change – Remove Metric

The SASB removed metric NR0104-07, “Percentage of hydraulically fractured wells for which there is public disclosure of all fluid chemicals used.”

## Revision EM-SV:05 – **Industry:** Oil & Gas – Services; **Topic Name:** Ecological Impact Management

### 2017 Technical Agenda Item #4-21 Description

SASB is evaluating the revision of the technical protocol associated with metric NR0104-09<sup>103</sup> to improve its measurability.

## Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with metric NR0104-09, “Average disturbed acreage per (1) oil and (2) gas well site,” to improve its representativeness and completeness by limiting the disclosure scope to the disturbed acreage that is directly associated with the company’s scope of service.

## Revision EM-SV:06 – **Industry:** Oil & Gas – Services; **Topic Name:** Health, Safety, and Emergency Management

### 2017 Technical Agenda Item #4-22 Description

SASB is evaluating the revision of metric NR0104-11<sup>104</sup> associated with the topic to improve its usefulness and to align with external standards.

## Summary of Change – Revise Metrics

The SASB revised metric NR0104-11 from “(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, (3) Near Miss Frequency Rate, and (4) Total Vehicle Incident Rate (TVIR) for (a) full-time employees, (b) contract employees, and

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<sup>102</sup> NR0104-07: Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used

<sup>103</sup> NR0104-09: Description of strategy or plans to address chemical-related risks, opportunities, and impacts

<sup>104</sup> NR0104-11: Average disturbed acreage per (1) oil and (2) gas well site

(c) short-service employees,” to “(1) Total Recordable Incident Rate (TRIR), (2) Near Miss Frequency Rate (NMFR), (3) Fatality Rate, (4) Total Vehicle Incident Rate (TVIR), and (5) Average hours of Health, Safety, and Emergency Response Training for (a) full-time employees, (b) contract employees, and (c) short-service employees.”

## Revision EM-SV:07 – **Industry:** Oil & Gas – Services; **Topic Name:** Health, Safety, and Emergency Management

### 2017 Technical Agenda Item #4-23 Description

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

#### Summary of Change – Split Topic

The SASB split the topic Health, Safety, and Emergency Management into Workforce Health & Safety related to Human Capital; and Critical Incident Risk Management, related to Leadership and Governance.

For the Workforce Health & Safety topic, metric NR0104-12 was revised from, “Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and project lifecycles,” to “Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycles.”

The Critical Incident Risk Management topic will include a new discussion and analysis metric describing “Description of management systems used to identify and mitigate catastrophic and tail-end risks.”

## Revision EM-SV:08– **Industry:** Oil & Gas – Services; **Topic Name:** Business Ethics and Payments Transparency

### 2017 Technical Agenda Item #4-24 Description

SASB is evaluating the addition of a metric based on the usefulness, completeness, distributiveness, and representativeness of the metrics associated with the topic.

#### No Revision:

Based upon additional research and the lack of a clear, quantifiable metric that would result in useful and distributive disclosures, no changes related to the provisional Standard related to Technical Agenda item 4-24 have been made at this time.

## Revision EM-SV:09 – **Industry:** Oil & Gas – Services; **Topic Name:** Management of the Legal & Regulatory Environment

## 2017 Technical Agenda Item #4-25 Description

SASB is evaluating revisions to metrics NR0104-15<sup>105</sup> and NR0104-16<sup>106</sup> to improve the cost-effectiveness and materiality of the standard.

### Summary of Change – Revise Metrics

The SASB replaced the two quantitative metrics associated with the Management of the Legal and Regulatory Environment topic:

NR0104-15 – Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations

NR0104-16 – Five largest political, lobbying, or tax-exempt group expenditures

With the following qualitative metric:

Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry

The technical protocol of the revised metric describes the scope of the disclosure, including the risks and opportunities that may result from legislation or regulation related to environmental and social factors that are likely to be material based on industry-specific characteristics. The topic description was additionally revised to align with the scope of the revised metric.

## Revision EM-CO:01 – **Industry:** Coal Operations; **Topic Name:** Greenhouse Gas Emissions

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for metric NR0201-01, “Gross global Scope 1 emissions, percentage covered under a regulatory program,” to provide additional guidance regarding the types of emissions that companies should include when preparing their disclosure.

## Revision EM-CO:02 – **Industry:** Coal Operations; **Topic Name:** Water Management

## 2017 Technical Agenda Item #4-26 Description

SASB is evaluating revisions to the water quality metric NR0201-04<sup>107</sup> to improve its decision-usefulness.

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<sup>105</sup> NR0104-15: Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations

<sup>106</sup> NR0104-16: Five largest political, lobbying, or tax-exempt group expenditures

<sup>107</sup> The provisional version of this metric was NR0201-04 – Number of incidents of non-compliance with water quality permits, standards, and regulations.

## Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for metric NR0201-04, “Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision EM-CO:03 – **Industry:** Coal Operations; **Topic Name:** Community Relations & Rights of Indigenous Peoples

### Summary of Change – Split Topic

The SASB split the Community Relations & Rights of Indigenous Peoples into two separate topics, Community Relations and Rights of Indigenous Peoples.

The Community Relations topic retained metrics NR0101-10 “Number and duration of non-technical delays” as well as NR0101-09 “Discussion of process to manage risk and opportunities associated with community rights and interests.”

The Rights of Indigenous Peoples topic retained metric NR0201-11 “(1) Proven and (2) Probable reserves in or near indigenous lands.” In addition, a new discussion and analysis metric was added to the Rights of Indigenous Peoples topic, which states, “Discussion of engagement processes and due diligence practices with respect to the management of indigenous rights.”

## Revision EM-CO:04 – **Industry:** Coal Operations; **Topic Name:** Workforce Health, Safety, and Well-Being

### 2017 Technical Agenda Item #4-27 Description

SASB is evaluating renaming the topic.

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic Workforce Health, Safety, and Well-Being to Workforce Health & Safety.

## Revision EM-CO:05 – **Industry:** Coal Operations; **Topic Name:** Reserves Valuation and Capital Expenditures

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with metric NR0201-16<sup>108</sup> to clarify the definition of the sensitivity analysis to be performed using the International Energy Agency’s (IEA) published scenarios. In addition,

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<sup>108</sup> The provisional version of this metric was NR0201-16 – Sensitivity of coal reserve levels to future price projection scenarios that account for a price on carbon emissions



the revised protocol provides the company the opportunity to consider additional scenarios defined by the company if it chooses to disclose these supplemental scenarios.

## Revision EP-IS:01 – **Industry:** Iron & Steel Producers; **Topic Name:** Workforce Health, Safety, and Well-Being

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic Workforce Health, Safety, and Well-Being to Workforce Health & Safety.

## Revision EM-MM:01 – **Industry:** Metals & Mining; **Topic Name:** Water Management

### **2017 Technical Agenda Item #4-28 Description**

SASB is evaluating the revision of the technical protocol associated with metric NR0302-05<sup>109</sup> to improve its completeness.

### **Summary of Change – Revise Metric**

The SASB revised the provisional metric NR0302-05 from, “Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress,” to , “TA04-28-01. (1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress,” and additionally revised the technical protocol to include the disclosure of which facilities are located in areas of High or Extremely High water stress.

## Revision EM-MM:02 – **Industry:** Metals & Mining; **Topic Name:** Water Management

### **2017 Technical Agenda Item #4-29 Description**

SASB is evaluating revisions to the water quality metric NR0302-06<sup>110</sup> to improve its decision-usefulness.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for metric NR0302-06, “Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision EM-MM:03 – **Industry:** Metals & Mining; **Topic Name:** Security, Human Rights, and the Rights of

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<sup>109</sup> The provisional version of this metric was NR0302-05 – Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress.

<sup>110</sup> The provisional version of this metric was NR0302-06 – Number of incidents of non-compliance with water quality permits, standards, and regulations

# Indigenous Peoples

## 2017 Technical Agenda Item #4-30 Description

SSASB is evaluating the revision of the technical protocol associated with metric NR0302-16<sup>111</sup> to improve its measurability.

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for provisional metric NR0302-16 to include a reference to the United Nations Declaration on the Rights of Indigenous Peoples and International Labour Organization (ILO) with respect to the identification of indigenous peoples.

## Revision EM-MM:04 – **Industry:** Metals & Mining; **Topic Name:** Security, Human Rights, and the Rights of Indigenous Peoples

### Summary of Change – Revise Technical Protocol

The SASB modified the technical protocol for metric NR0302-17 to include the disclosure of company governance processes for issues related to the topic, as well as its policies and practices related to the establishment of community agreements and project grievance mechanisms, where applicable.

## Revision EM-MM:05 – **Industry:** Metals & Mining; **Topic Name:** Community Relations

### Summary of Change – Revise Technical Protocol

The SASB modified the technical protocol for provisional metric NR0302-13<sup>112</sup> to include “natural resource governance” as an example of a discussion topic that companies should consider when discussing country, regional, or community risks.

## Revision EM-MM:06 – **Industry:** Metals & Mining; **Topic Name:** Community Relations

### Summary of Change – Revise Technical Protocol

The SASB modified the technical protocol for metric NR0302-11<sup>113</sup> to clarify the definition of “non-technical delays.”

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<sup>111</sup> NR0302-16: (1) Proven and (2) probable reserves in or near indigenous land

<sup>112</sup> The provisional version of this metric was NR0302-13 – Discussion of process to manage risks and opportunities associated with community rights and interests.

<sup>113</sup> The provisional version of this metric is NR0302-11 – Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation.

## Revision EM-MM:07 – **Industry:** Metals & Mining; **Topic Name:** Workforce Health, Safety, and Well-Being

### 2017 Technical Agenda Item #4-31 Description

SASB is evaluating the revision of metric NR0302-18<sup>114</sup> associated with the topic to improve its usefulness and to align with external standards.

### Summary of Change – Revise Metrics

The SASB revised metric NR0302-18 from “(1) MSHA All-Incidence Rate, (2) Fatality Rate, and (3) Near Miss Frequency Rate for (a) full-time employees and (b) contract employees” to “(1) MSHA All-Incidence Rate, (2) Fatality Rate, (3) Near Miss Frequency Rate (NMFR), and (4) Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees.”

In addition, the topic name shall be revised from, Workforce Health, Safety, and Well-Being to Workforce Health & Safety.

## Revision EM-MM:08 – **Industry:** Metals & Mining – **Topic Name:** Business Ethics & Payments Transparency

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic Business Ethics & Payments Transparency to Business Ethics & Transparency.

## Revision EM-MM:09 – **Industry:** Metals & Mining; **Topic Name:** Business Ethics & Payments Transparency

### 2017 Technical Agenda Item #4-32 Description

SASB is evaluating the addition of a provisional metric to ensure the usefulness, completeness, and representativeness of the metrics associated with the topic.

### No Revision:

Based upon additional research and the lack of a clear, quantifiable metric that would result in useful and distributive disclosures, no changes related to the provisional Standard related to Technical Agenda item 4-34 have been made at this time.

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<sup>114</sup> The provisional version of this metric was NR0302-18 – (1) MSHA All-Incidence Rate, (2) Fatality Rate, and (3) Near Miss Frequency Rate for (a) full-time employees and (b) contract employees.

## Revision EM-CM:01 – **Industry:** Construction Materials; **Topic Name:** Workforce Health, Safety, and Well-Being

### **2017 Technical Agenda Item #4-33 Description**

SASB is evaluating the revision of a technical protocol associated with metric NR0401-10<sup>115</sup> to improve its measurability.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol of metric NR0401-10 to clearly define “silicosis.”

In addition, the topic name was revised from Workforce Health, Safety, and Well-Being to Workforce Health & Safety.

## Revision EM-CM:02 – **Industry:** Construction Materials; **Topic Name:** Product Innovation

### **2017 Technical Agenda Item #4-34 Description**

SASB is evaluating the revision of metric NR0401-11<sup>116</sup> to improve its comparability.

### **Summary of Change – Revise Metrics**

The SASB revised metric NR0401-11 from, “Percentage of products that can be used for credits in sustainable building design and construction certifications” to “Percentage of products that qualify for credits in sustainable building design and construction certifications.”

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<sup>115</sup> The provisional version of this metric was NR0401-10 – Number of reported cases of silicosis.

<sup>116</sup> The provisional version of this metric was NR0401-11 – Percentage of products that can be used for credits in sustainable building design and construction certifications.



## Transportation Sector

Automobiles

Auto Parts

Car Rental & Leasing

Airlines

Air Freight & Logistics

Marine Transportation

Cruise Lines

Rail Transportation

Road Transportation

Prepared by the  
Sustainability Accounting Standards Board®

## Revision TR-AU:01 – **Industry:** Automobiles; **Topic Name:** Labor Relations

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic from Labor Relations to Labor Practices.

## Revision TR-AU:02 – **Industry:** Automobiles; **Topic Name:** Fuel Economy & Use-phase Emissions

### **2017 Technical Agenda Item #5-2 Description**

The SASB is evaluating the addition of a metric to improve the usefulness and completeness of the metrics associated with the topic.

### **Summary of Change – Add Metric**

The SASB added a qualitative metric, “Discussion of strategy to managing fleet fuel economy and emissions risks and opportunities,” to the Fuel Economy & Use-phase Emissions topic to address how companies are positioned to improve fuel economy and reduce emissions from passenger vehicles and light trucks.

## Revision TR-AU:03 – **Industry:** Automobiles; **Topic Name:** Fuel Economy & Use-phase Emissions

### **2017 Technical Agenda Item #5-1 Description**

The SASB is evaluating completeness, alignment, and clarity of metric TR0101-09.<sup>117</sup>

### **No Revision**

Based upon research, market input, and/or recommendations of the SASB, no changes related to Technical Agenda Item #5-1 were made to the provisional standard. Provisional metric TR0101-09 includes in its scope regional fuel economy standards for major automobile markets, with recommended disclosure according to the geographic segments a company currently reports in its financial reporting (i.e., determined by *FASB Accounting Standards Codification Topic 280, Segment Reporting*). Because regional fuel economy standards vary in approach (e.g., some regions use industry metrics that are based on fuel use per distance driven, while others are based on carbon emissions per distance driven), and because there is now significant market share for automobiles related to alternative fuel, hybrid, or non-fuel vehicles, it is challenging to develop a metric that is comparable for companies that operate in global markets and offer a variety of drive trains and engine types. The SASB recognizes that metrics that are not comparable at the corporate level are not decision-useful for investors.

## Revision TR-AU:04 – **Industry:** Automobiles; **Topic Name:**

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<sup>117</sup> TR0101-09: Sales-weighted average passenger fleet fuel economy consumption or emissions by region

## Labor Relations<sup>118</sup>

### Summary of Change – Revise Metric

The SASB revised provisional metric TR0101-07 from “Percentage of active workforce covered under collective-bargaining agreements, broken down by U.S. and foreign employees” to “Percentage of active workforce covered under collective bargaining agreements.”

## Revision TR-AU:05 – **Industry:** Automobiles; **Topic Name:** Materials Sourcing

### 2017 Technical Agenda Item #5-4 Description

SASB is evaluating the revision of metrics TR0101-12<sup>119</sup> and TR0101-13<sup>120</sup> associated with the topic to improve cost-effectiveness and decision-usefulness.

### Summary of Change – Revise Topic Scope and Metrics

The SASB revised the scope of the Materials Sourcing topic to focus on exposure to resource scarcity and supply constraints and removed two provisional metrics:

- TR0101-11 – Percentage of materials costs for items containing critical materials
- TR0101-12 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

Further, the SASB removed conflict minerals from the required scope of disclosure in provisional metric TR0101-13, “Discussion of the management of risks associated with the use of critical materials and conflict minerals.” The SASB also added language to the technical protocol of TR0101-13 to direct companies to discuss their primary critical materials used and any related risks.

## Revision TR-AU:06 – **Industry:** Automobiles; **Topic Name:** Materials Sourcing

### 2017 Technical Agenda Item #5-3 Description

The SASB is evaluating revisions to the topic, including the corresponding metrics, based on its potential to affect corporate value.

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<sup>118</sup> See Revision TR-AU:01 for a revision to the topic name.

<sup>119</sup> TR0101-12: Percentage of tungsten tin tantalum and gold smelters and refiners within the supply chain that are verified conflict-free

<sup>120</sup> TR0101-13: Discussion of the management of risks associated with the use of critical materials and conflict minerals

## No Revision

Based upon research, market input, and/or recommendations of the SASB, no changes related to Technical Agenda Item #5-3 were made to the provisional standard.

## Revision TR-AP:01 – **Industry:** Auto Parts; **Topic Name:** Materials Efficiency & Waste Management

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic from Materials Efficiency & Waste Management to Waste Management.

## Revision TR-AP:02 – **Industry:** Auto Parts; **Topic Name:** Materials Efficiency & Waste Management<sup>121</sup>

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for provisional metric TR0102-02, “Total amount of waste from manufacturing, percentage hazardous, percentage recycled,” to define hazardous waste and hazardous waste recycled per the relevant regulations at the point of waste generation. Previously, the standard required classification of all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. Environmental Protection Agency (EPA)’s Resource Conservation and Recovery Act (RCRA). Additionally, the SASB added a disclosure requirement to report the hazardous waste regulations that are used to classify the company’s waste.

## Revision TR-AP:03 – **Industry:** Auto Parts; **Topic Name:** Product Lifecycle Management

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic “Product Lifecycle Management” into two separate topics: “Design for Fuel Efficiency” and “Materials Efficiency.”

The following metrics are associated with the Design for Fuel Efficiency topic:

- TR-AP-410a.1 – Revenue from products designed to increase fuel efficiency and/or reduce emissions<sup>122</sup>

The following metrics are associated with the Materials Efficiency topic:

- TR-AP-440b.1 – Percentage of products sold that are recyclable<sup>123</sup>

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<sup>121</sup> See TR-AP:01 for a revision to the topic name.

<sup>122</sup> The provisional version of this metric was TR0102-04 - Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions. See Revision TR-AP:04.

<sup>123</sup> The provisional version of this metric was TR0102-05 – Percentage of products sold that are recyclable or reusable.



- TR-AP-440b.2 – Percentage of input materials from recycled or remanufactured content<sup>124</sup>

## Revision TR-AP:04 – **Industry:** Auto Parts; **Topic Name:** Product Lifecycle Management<sup>125</sup>

### 2017 Technical Agenda Item #5-5 Description

The SASB is evaluating the revision of metric TR0102-04<sup>126</sup> to improve the clarity and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric TR0102-04 from “Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions” to “Revenue from products designed to increase fuel efficiency and/or reduce emissions.” In addition, in the technical protocol the SASB changed the term “energy efficiency” to “fuel efficiency” and added “low rolling resistance new and retread tire technologies” to the list of examples of products that may increase fuel efficiency and/or reduce emissions.

## Revision TR-AP:05 – **Industry:** Auto Parts; **Topic Name:** Materials Sourcing

### 2017 Technical Agenda Item #5-8 Description

SASB is evaluating the revision of metrics TR0102-09<sup>127</sup> and TR0102-10<sup>128</sup> associated with the topic to improve cost-effectiveness and decision-usefulness.

### Summary of Change – Revise Metrics

The SASB revised the scope of the Materials Sourcing topic to focus on exposure to resource scarcity and supply constraints and removed two provisional metrics:

- TR0102-08 – Percentage of materials costs for items containing critical materials
- TR0102-09 – Percentage of tungsten, tin, tantalum, and gold smelters and refiners within the supply chain that are verified conflict-free

Further, the SASB removed conflict minerals from the required scope of disclosure in provisional metric TR0102-10, “Discussion of the management of risks associated with the use of critical materials and conflict minerals.” The

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<sup>124</sup> The provisional version of this metric was TR0102-06 - Weight of products and materials recycled or remanufactured. See Revision TR-AP:07

<sup>125</sup> See Revision TR-AP:03 for a split to this topic.

<sup>126</sup> TR0102-04: Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions

<sup>127</sup> TR0102-09: Percentage of tungsten, tin, tantalum, and gold smelters and refiners within the supply chain that are verified conflict-free

<sup>128</sup> TR0102-10: Discussion of the management of risks associated with the use of critical materials and conflict minerals

SASB also added language to the technical protocol of the metric to direct companies to discuss their primary critical materials used and any related risks.

## Revision TR-AP:06 – **Industry:** Auto Parts; **Topic Name:** Materials Sourcing

### **2017 Technical Agenda Item #5-7 Description**

The SASB is evaluating revisions to the topic, including the corresponding metrics, based on its potential to affect corporate value.

### **No Revision**

Based upon research, market input, and/or recommendations of the SASB, no changes related to Technical Agenda Item #5-7 were made to the provisional standard.

## Revision TR-AP:07 – **Industry:** Auto Parts; **Topic Name:** Product Lifecycle Management<sup>129</sup>

### **2017 Technical Agenda Item #5-6 Description**

SASB is evaluating the revision of metric TR0102-06<sup>130</sup> based on the verifiability of the data associated with the metric.

### **Summary of Change – Revise Metric**

The SASB revised provisional metric TR0102-06 from “Weight of products and materials recycled or remanufactured” to “Percentage of input materials from recycled or remanufactured content.”

## Revision TR-AP:08 – **Industry:** Auto Parts; **Topic Name:** Product Lifecycle Management<sup>131</sup>

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol of provisional metric TR0102-05, “Percentage of products sold that are recyclable or reusable,” to recognize scrap tires that fulfill U.S. Environmental Protection Agency (EPA) criteria as reusable products within the scope of the metric.

## Revision TR-AL:01 – **Industry:** Airlines; **Topic Name:** Environmental Footprint of Fuel Use

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<sup>129</sup> See Revision TR-AP:03 for a split to this topic.

<sup>130</sup> TR0102-06: Weight of products and materials recycled or remanufactured

<sup>131</sup> See Revision TR-AP:03 for a split to this topic.

## Summary of Change – Revise Topic Name

The SASB renamed the provisional topic from Environmental Footprint of Fuel Use to Greenhouse Gas Emissions.

Revision TR-AL:02 – **Industry:** Airlines; **Topic Name:** Environmental Footprint of Fuel Use<sup>132</sup>

## Summary of Change – Revise Metric

The SASB revised provisional metric TR0201-03 from “Total fuel consumed, percentage renewable” to “(1) Total fuel consumed, (2) percentage alternative, (3) percentage sustainable.”

Revision TR-AL:03 – **Industry:** Airlines; **Topic Name:** Environmental Footprint of Fuel Use<sup>133</sup>

## 2017 Technical Agenda Item #5-9 Description

The SASB is evaluating the removal of metric TR0201-04<sup>134</sup> based on the fact that it is already disclosed in financial filings.

## Summary of Change – Remove Metric

The SASB removed provisional metric TR0201-04, “Notional amount of fuel hedged, by maturity date.”

Revision TR-AL:04 – **Industry:** Airlines; **Topic Name:** Environmental Footprint of Fuel Use<sup>135</sup>

## 2017 Technical Agenda Item #5-10 Description

The SASB is evaluating the completeness of the metrics associated with the topic.

## No Revision

Based upon research, market input, and/or recommendations of the SASB, no changes related to Technical Agenda Item #5-10 were made to the provisional standard. An updated fleet fuel use efficiency metric will be researched, vetted, and potentially proposed in the future after the publication of a the new International Civil Aviation Organization (ICAO) carbon standard.

Revision TR-AL:05 – **Industry:** Airlines; **Topic Name:** Customer Welfare

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<sup>132</sup> See Revision TR-AL:01 for a revision to the topic name.

<sup>133</sup> See Revision TR-AL:01 for a revision to the topic name.

<sup>134</sup> TR0201-04: Notional amount of fuel hedged, by maturity date

<sup>135</sup> See Revision TR-AL:01 for a revision to the topic name.

## 2017 Technical Agenda Item #5-11 Description

The SASB is evaluating the addition of a topic and a corresponding metric based upon materiality.

### Summary of Change – Retract Proposal to Add Topic

The SASB has not added the disclosure topic, Customer Welfare, which was considered as a potential new topic in the 2017/18 Industry Exposure Draft Standard.

## Revision TR-AL:06 – **Industry:** Airlines; **Topic Name:** Labor Relations

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic from Labor Relations to Labor Practices.

### Supporting Rationale

The provisional disclosure topic addresses the management of, and communication around, issues such as worker pay and working conditions. Such practices generate actual and/or potential financial impacts, often related to a company's reputation and risks such as conflicts with workers that could lead to strikes that slow or shut down operations. The revised topic name enables a clearer distinction concerning the sustainability angle of this topic, which is centered on labor practices such as wages, working conditions, and freedom of association.

## Revision TR-AL:07 – **Industry:** Airlines; **Topic Name:** Labor Relations<sup>136</sup>

### Summary of Change – Revise Metric

The SASB revised provisional metric TR0201-05 from "Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees" to "Percentage of active workforce covered under collective bargaining agreements."

## Revision TR-AF:01 – **Industry:** Air Freight & Logistics; **Topic Name:** Environmental Footprint of Fuel Use

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Environmental Footprint of Fuel Use into two separate topics: Greenhouse Gas Emissions and Air Quality.

The following metrics are associated with the Greenhouse Gas Emissions topic:

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<sup>136</sup> See Revision TR-AL:06 for a revision to the topic name.

- TR-AF-110a.1 – Gross global Scope 1 emissions<sup>137</sup>
- TR-AF-110a.2 – Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets<sup>138</sup>
- TR-AF-110a.3 – Fuel consumed, by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable<sup>139</sup>

The following metric is associated with the Air Quality topic:

- TR-AF-120a.1 – Air emissions of the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, and particulate matter (PM<sub>10</sub>)<sup>140</sup>

## Revision TR-AF:02 – **Industry:** Air Freight & Logistics; **Topic Name:** Environmental Footprint of Fuel Use<sup>141</sup>

### Summary of Change – Revise Metric

The SASB revised provisional metric TR0202-03 from “Total fuel consumed, percentage renewable for (1) road transport and (2) air transport” to “Fuel consumed, by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable.”

## Revision TR-AF:03 – **Industry:** Air Freight & Logistics; **Topic Name:** Environmental Footprint of Fuel Use<sup>142</sup>

### 2017 Technical Agenda Item #5-13 Description

The SASB is evaluating the completeness of the metrics associated with the topic.

### No Revision

Based upon research, market input, and/or recommendations of the SASB, no changes related to Technical Agenda Item #5-13 were made to the provisional standard. An updated fleet fuel use efficiency metric will be researched, vetted, and potentially proposed in the future after the publication of the new International Civil Aviation Organization carbon standard.

<sup>137</sup> The provisional version of this metric was TR0202-01 – Gross global Scope 1 emissions.

<sup>138</sup> The provisional version of this metric was TR0202-02 – Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.

<sup>139</sup> The provisional version of this metric was TR0202-03 – Total fuel consumed, percentage renewable for (1) road transportation and (2) air transport. See Revision TR-AF:02.

<sup>140</sup> The provisional version of this metric was TR0202-04 – Air emissions for the following pollutants: NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter (PM).

<sup>141</sup> See Revision TR-AF:01 for a split of this topic.

<sup>142</sup> See Revision TR-AF:01 for a split of this topic.

## Revision TR-AF:04 – **Industry:** Air Freight & Logistics; **Topic Name:** Fair Labor Practices

### 2017 Technical Agenda Item #5-12 Description

SASB is evaluating the suitability of the topic name.

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic from Fair Labor Practices to Labor Practices.

## Revision TR-AF:05 – **Industry:** Air Freight & Logistics; **Topic Name:** Fair Labor Practices<sup>143</sup>

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol associated with TR0202-05<sup>144</sup> to clarify that the definition of independent contractors is based on the U.S. Internal Revenue Service (IRS) "20-Factor test," or regional equivalent. While the technical protocol of the provisional metric states that U.S. IRS guidance defines independent contractors (or local laws), it does not specify the relevant U.S. IRS guidance. In addition, the SASB clarified the potential application of regionally equivalent laws.

## Revision TR-AF:06 – **Industry:** Air Freight & Logistics; **Topic Name:** Accidents & Safety Management

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Accidents & Safety Management into two separate topics: Employee Health & Safety and Accident & Safety Management.

The following metrics are associated with the Employee Health & Safety topic:

- TR-AF-320a.1 – (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees<sup>145</sup>

The following metrics are associated with the Accident & Safety Management topic:

- TR-AF-540a.1 – Description of implementation and outcomes of a Safety Management System<sup>146</sup>

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<sup>143</sup> See Revision TR-AF:04 for a revision to the topic name.

<sup>144</sup> TR0202-05: Percentage of drivers who are classified as independent contractors

<sup>145</sup> The provisional version of this metric was TR0202-10 – (1) Total recordable injury rate (TRIR) and (2) fatality rate for (a) full-time employees and (b) contract employees.

<sup>146</sup> The provisional version of this metric was TR0202-07 – Description of implementation and outcomes of Safety Management System.

- TR-AF-540a.1 – Number of aviation accidents<sup>147</sup>
- TR-AF-540a.1 – Number of road accidents and incidents<sup>148</sup>
- TR-AF-540a.1 – 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<sup>149</sup>

## Revision TR-MT:01 – **Industry:** Marine Transportation; **Topic Name:** Environmental Footprint of Fuel Use

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Environmental Footprint of Fuel Use into two separate topics: Greenhouse Gas Emissions and Air Quality.

The following metrics are associated with the Greenhouse Gas Emissions topic:

- TR-MT-110a.1 – Gross global Scope 1 emissions<sup>150</sup>
- TR-MT-110a.2 – Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets<sup>151</sup>
- TR-MT-110a.3 – Total fuel consumed, percentage renewable<sup>152</sup>
- TR-MT-110a.4 – Average Energy Efficiency Design Index (EEDI) for new ships<sup>153</sup>

The following metrics are associated with the Air Quality topic:

- TR-MT-120a.1 – Air emissions of the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, and particulate matter (PM<sub>10</sub>)<sup>154</sup>

## Revision TR-MT:02 – **Industry:** Marine Transportation;

<sup>147</sup> The provisional version of this metric was TR0202-08 – Number of aviation accidents.

<sup>148</sup> The provisional version of this metric was TR0202-09 – Number of road accidents and incidents.

<sup>149</sup> The provisional version of this metric was TR0202-11 – 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.

<sup>150</sup> The provisional version of this metric was TR0301-01 – Gross global Scope 1 emissions.

<sup>151</sup> The provisional version of this metric was TR0301-02 – Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.

<sup>152</sup> The provisional version of this metric was TR0301-03 – Total fuel consumed, percentage renewable.

<sup>153</sup> The provisional version of this metric was TR0301-05 – Energy Efficiency Design Index (EEDI) for new ships.

<sup>154</sup> The provisional version of this metric was TR0301-04 – Air emissions for the following pollutants: NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter (PM).

## **Topic Name:** Accidents & Safety Management

### **Summary of Change – Split Topic**

The SASB split the provisional disclosure topic Accidents & Safety Management into two separate topics: Employee Health & Safety and Accident & Safety Management.

The following metrics are associated with the Employee Health & Safety topic:

- TR-MT-320a.1 – Lost time incident rate (LTIR)<sup>155</sup>

The following metrics are associated with the Accident & Safety Management topic:

- TR-MT-540a.1 – Number of marine casualties, percentage classified as very serious marine casualties<sup>156</sup>
- TR-MT-540a.2 – Number of Conditions of Class or Recommendations<sup>157</sup>
- TR-MT-540a.3 – Number of port state control (1) deficiencies and (2) detentions<sup>158</sup>

## Revision TR-MT:03 – **Industry:** Marine Transportation; **Topic Name:** Accidents & Safety Management<sup>159</sup>

### **Summary of Change – Revise Metric**

The SASB revised provisional metric TR0301-11 from "Number of serious marine incidents" to "Number of marine casualties, percentage classified as very serious." In addition, the SASB revised the technical protocol to replace definitions from the U.S. Code of Federal Regulations 46 CFR 4.03-2 with definitions from the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident (also known as the "Casualty Investigation Code").

## Revision TR-CL:01 – **Industry:** Cruise Lines; **Topic Name:** Fuel Use & Air Emissions

### **Summary of Change – Split Topic**

The SASB split the provisional disclosure topic Fuel Use & Air Emissions into two separate topics: Greenhouse Gas Emissions and Air Quality.

The following metrics are associated with the Greenhouse Gas Emissions topic:

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<sup>155</sup> The provisional version of this metric was TR0301-12 – Lost time injury rate.

<sup>156</sup> The provisional version of this metric was TR0301-11 – Number of serious marine incidents.

<sup>157</sup> The provisional version of this metric was TR0301-13 – Number of Conditions of Class or Recommendations.

<sup>158</sup> The provisional version of this metric was TR0301-14 – Number of port state control (1) deficiencies and (2) detentions.

<sup>159</sup> See Revision TR-MT:02 for a split to this topic.



- TR-CL-110a.1 – Gross global Scope 1 emissions<sup>160</sup>
- TR-CL-110a.2 – Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets<sup>161</sup>
- TR-CL-110a.3 – (1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage onshore power supply (OPS), and (3) percentage renewable<sup>162</sup>
- TR-CL-110a.4 – Average Energy Efficiency Design Index (EEDI) for new ships<sup>163</sup>

The following metrics are associated with the Air Quality topic:

- TR-CL-120a.1 – Air emissions of the following pollutants: (1) NO<sub>x</sub> (excluding N<sub>2</sub>O), (2) SO<sub>x</sub>, and (3) particulate matter (PM<sub>10</sub>)<sup>164</sup>

## Revision TR-CL:02 – **Industry:** Cruise Lines; **Topic Name:** Fair Labor Practices

### 2017 Technical Agenda Item #5-14 Description

SASB is evaluating the suitability of the topic name.

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic Fair Labor Practices to Labor Practices.

## Revision TR-CL:03 – **Industry:** Cruise Lines; **Topic Name:** Shipboard Health & Safety Management

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Shipboard Health & Safety Management into two separate topics: Customer Health & Safety and Employee Health & Safety.

The following metrics are associated with the Employee Health & Safety topic:

- TR-CL-320a.1 – Seafarer lost time incident rate (LTIR)<sup>165</sup>

<sup>160</sup> The provisional version of this metric was SV0205-01 – Gross global Scope 1 emissions.

<sup>161</sup> The provisional version of this metric was SV0205-02 – Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.

<sup>162</sup> The provisional version of this metric was SV0205-03 – Total energy consumed, percentage from: (1) heavy fuel oil, (2) Onshore Power Supply (OPS), and (3) renewables.

<sup>163</sup> The provisional version of this metric was SV0205-04 – Average Energy Efficiency Design Index (EEDI) for new ships.

<sup>164</sup> The provisional version of this metric was SV0205-05 – Air emissions for the following pollutants: NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter (PM).

<sup>165</sup> The provisional version of this metric was SV0205-13 – Seafarer lost time injury rate.

The following metrics are associated with the Customer Health & Safety topic:

- TR-CL-250a.1 – Number of alleged crime incidents involving passengers or employees<sup>166</sup>
- TR-CL-250a.2 – Fleet average CDC Vessel Sanitation Program inspection score, percentage of inspections failed<sup>167</sup>
- TR-CL-250a.3 – Number of (1) serious injuries per million passengers and (2) voyages with a gastrointestinal illness count exceeding 2%<sup>168</sup>

## Revision TR-CL:04 – **Industry:** Cruise Lines; **Topic Name:** Accident Management

### Summary of Change – Revise Metric

The SASB revised provisional metric SV0205-20 from "Number of accidents and incidents" to "Number of marine casualties, percentage classified as very serious marine casualties." In addition, the SASB revised the technical protocol to replace definitions from the U.S. Code of Federal Regulations 46 CFR 4.03-2 with definitions from the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident (also known as the "Casualty Investigation Code").

## Revision TR-RA:01 – **Industry:** Rail Transportation; **Topic Name:** Environmental Footprint of Fuel Use

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Environmental Footprint of Fuel Use into two separate topics: Greenhouse Gas Emissions and Air Quality.

The following metrics are associated with the Greenhouse Gas Emissions topic:

- TR-RA-110a.1 – Gross global Scope 1 emissions<sup>169</sup>
- TR-RA-110a.2 – Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets<sup>170</sup>

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<sup>166</sup> The provisional version of this metric was SV0205-10 – Number of alleged crime incidents involving passengers or employees.

<sup>167</sup> The provisional version of this metric was SV0205-11 – Fleet average CDC Vessel Sanitation Program inspection score, percentage of inspections failed.

<sup>168</sup> The provisional version of this metric was SV0205-12 – Number of (1) serious injuries per million customers and (2) voyages with a gastrointestinal illness count exceeding 2%.

<sup>169</sup> The provisional version of this metric was TR0401-01 – Gross global Scope 1 emissions.

<sup>170</sup> The provisional version of this metric was TR0401-02 – Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.

- TR-RA-110a.3 – Total fuel consumed, percentage renewable<sup>171</sup>

The following metrics are associated with the Air Emissions topic:

- TR-RA-120a.1 – Air emissions of the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O) and particulate matter (PM<sub>10</sub>)<sup>172</sup>

## Revision TR-RA:02 – **Industry:** Rail Transportation; **Topic Name:** Accidents & Safety Management

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Accidents & Safety Management into two separate topics: Employee Health & Safety and Accident & Safety Management.

The following metrics are associated with the Employee Health & Safety topic:

- TR-RA-320a.1 – (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)<sup>173</sup>

The following metrics are associated with the Accident & Safety Management topic:

- TR-RA-540a.1 – Number of accidents and incidents<sup>174</sup>
- TR-RA-540a.2 – Number of: (1) accident releases and (2) non-accident releases (NARs)<sup>175</sup>
- TR-RA-540a.3 – Number of Federal Rail Administration (FRA) Recommended Violation Defects<sup>176</sup>
- TR-RA-540a.4 – Frequency of internal railway integrity inspections<sup>177</sup>

## Revision TR-RO:01 – **Industry:** Road Transportation; **Topic Name:** Environmental Footprint of Fuel Use

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<sup>171</sup> The provisional version of this metric was TR0401-03 – Total fuel consumed, percentage renewable.

<sup>172</sup> The provisional version of this metric was TR0401-04 – Air emissions for the following pollutants: NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter (PM).

<sup>173</sup> The provisional version of this metric was TR0401-07 – (1) Total recordable injury rate, (2) fatality rate, and (3) near miss frequency rate.

<sup>174</sup> The provisional version of this metric was TR0401-06 – Number of accidents and incidents.

<sup>175</sup> The provisional version of this metric was TR0401-08 – Number of (1) accident releases and (2) non-accident releases (NARs).

<sup>176</sup> The provisional version of this metric was TR0401-09 – Number of Federal Rail Administration (FRA) Recommended Violation Defects.

<sup>177</sup> The provisional version of this metric was TR0401-10 – Frequency of internal railway integrity inspections.

## Summary of Change – Split Topic

The SASB split the provisional disclosure topic Environmental Footprint of Fuel Use into two separate topics: Greenhouse Gas Emissions and Air Quality.

The following metrics are associated with the Greenhouse Gas Emission topic:

- TR-RO-110a.1 – Gross global Scope 1 emissions<sup>178</sup>
- TR-RO-110a.2 – Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets<sup>179</sup>
- TR-RO-110a.3 – Total fuel consumed, percentage natural gas, percentage renewable<sup>180</sup>

The following metrics are associated with the Air Quality topic:

- TR-RO-120a.1 – Air emissions of the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, and particulate matter (PM<sub>10</sub>)<sup>181</sup>

## Revision TR-RO:02 – **Industry:** Road Transportation; **Topic Name:** Environmental Footprint of Fuel Use<sup>182</sup>

### Summary of Change – Revise Metric

The SASB revised provisional metric TR0402-03 from “Total fuel consumed, percentage renewable” to “Total fuel consumed, percentage natural gas, percentage renewable.”

## Revision TR-RO:03 – **Industry:** Road Transportation; **Topic Name:** Accidents & Safety Management

### Summary of Change – Move Metric

The SASB moved provisional metric TR0402-08, “(1) Total recordable injury rate and (2) fatality rate for (a) full-time employees and (b) contract employees,” from the Accidents & Safety Management disclosure topic to the Driver Working Conditions topic.

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<sup>178</sup> The provisional version of this metric was TR0402-01 – Gross global Scope 1 emissions.

<sup>179</sup> The provisional version of this metric was TR0402-02 – Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.

<sup>180</sup> The provisional version of this metric was TR0402-03 – Total fuel consumed, percentage renewable.

<sup>181</sup> The provisional version of this metric was TR0402-04 – Air emissions for the following pollutants: NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter (PM).

<sup>182</sup> See Revision TR-RO:01 for a split to this topic.



## Services Sector

Education

Professional & Commercial Services

Hotels & Lodging

Casinos & Gaming

Leisure Facilities

Advertising & Marketing

Media & Entertainment

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## Revision SV-ED:01 – **Industry:** Education; **Topic Name:** Data Security

### 2017 Technical Agenda Item #6-1 Description

SASB is evaluating the addition of a topic, including corresponding metrics, based on its potential to affect corporate value, and relevance across the industry.

### Summary of Change – Add Topic and Metrics

The SASB added the disclosure topic Data Security to the standard, along with the following, corresponding metrics:

- Description of approach to identifying and addressing data security risks
- Description of policies and practices relating to collection, usage, and retention of student information
- Number of data breaches, percentage involving students' personally identifiable information (PII), number of students affected<sup>183</sup>

## Revision SV-PS:01 – **Industry:** Professional & Commercial Services; **Topic Name:** Professional Integrity

### 2017 Technical Agenda Item #6-2 Description

SASB is evaluating the revision of the technical protocol for metric SV0102-02<sup>184</sup> to improve clarity.

### Summary of Change – Revise Metric

The SASB revised provisional metric SV0102-02 from “Amount of legal and regulatory fines and settlements associated with professional integrity or duty of care” to “Total amount of monetary losses as a result of legal proceedings associated with professional integrity” and updated the technical protocol to clarify what is included in the scope of the metric.<sup>185</sup>

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<sup>183</sup> Note \_\_ Disclosure shall include a description of corrective actions implemented in response to data breaches.

<sup>184</sup> SV0102-02: Amount of legal and regulatory fines and settlements associated with professional integrity or duty of care

<sup>185</sup> Note to SV0102-02 – The **entity** shall briefly describe the nature, context, and any corrective actions taken as a result of the **monetary** losses.

## Revision SV-PS:02 – **Industry:** Professional & Commercial Services; **Topic Name:** Data Security

### 2017 Technical Agenda Item #6-3 Description

SASB is evaluating the revision of metric SV0102-05<sup>186</sup> to improve comparability and completeness.

#### Summary of Change – Revise Metric

The SASB revised provisional metric SV0102-05 from “Number of data security breaches and percentage involving customers’ confidential business information or personally identifiable information,” to “Number of data breaches, percentage involving confidential business information (CBI) or personally identifiable information (PII), number of customers affected.”

## Revision SV-PS:03 – **Industry:** Professional & Commercial Services; **Topic Name:** Workforce Diversity & Engagement

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for provisional metric SV0102-06, “Percentage of gender and racial/ethnic group representation for (1) executives and (2) all others,” to require gender breakdown globally but racial/ethnic breakdown per the U.S. Equal Employment Opportunity Commission (EEOC)’s EEO-1 Job Classification Guide categories only in the United States. Additionally, the SASB revised the technical protocol to specify that companies shall describe their policies for promoting inclusivity and fostering equitable employee representation across their global operations.

## Revision SV-HL:01 – **Industry:** Hotels & Lodging; **Topic Name:** Energy & Water Management

### 2017 Technical Agenda Item #6-4 Description

SASB is evaluating revisions to the topic and its associated metrics based on its materiality and actionability by companies.

#### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Energy & Water Management into two separate topics: Energy Management and Water Management.

The following metric is associated with the Energy Management topic:

- SV0201-01 – Total energy consumed, percentage grid electricity, percentage renewable

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<sup>186</sup> SV0102-05: Number of data security breaches and percentage involving customers’ confidential business information or personally identifiable information

The following metric is associated with the Water Management topic:

- SV0201-02 – (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress<sup>187</sup>

## Revision SV-HL:02 – **Industry:** Hotels & Lodging; **Topic Name:** Energy & Water Management<sup>188</sup>

### Summary of Change – Revise Metric

The SASB revised provisional metric SV0201-02 from “Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress” to “(1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.”

## Revision SV-HT:03 – **Industry:** Hotels & Lodging; **Topic Name:** Ecosystem Protection & Climate Adaptation

### 2017 Technical Agenda Item #6-5 Description

SASB is evaluating revisions to the topic and its associated metrics based on its materiality and actionability by companies.

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Ecosystem Protection & Climate Adaptation into two separate topics: Ecological Impacts and Climate Change Adaptation.

The following metrics are associated with the Ecological Impacts topic:

- SV0201-04 – Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat
- SV0201-05 – Description of environmental management policies and practices to preserve ecosystem services

The following metric is associated with the Climate Change Adaptation topic:

- SV0201-03 – Number of lodging facilities located in 100-year flood zones<sup>189</sup>

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<sup>187</sup> The provisional version of the metric was SV0201-02 – Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress. Please see Revision SV-HL:02.

<sup>188</sup> See Revision SV-HL:04 for the revised topic name.

<sup>189</sup> The provisional version of the metric was SV0201-03 – Number of lodging facilities located in FEMA Special Flood Hazard Areas or foreign equivalent.



## Revision SV-HL:04 – **Industry:** Hotels & Lodging; **Topic Name:** Fair Labor Practices

### 2017 Technical Agenda Item #6-7 Description

SASB is evaluating the suitability of the topic name.

### Summary of Change – Revise Topic Name

The SASB renamed the provisional disclosure topic from Fair Labor Practices to Labor Practices.

## Revision SV-HL:05 – **Industry:** Hotels & Lodging; **Topic Name:** Fair Labor Practices<sup>190</sup>

### 2017 Technical Agenda Item #6-6 Description

SASB is evaluating the revision of metric SV0201-08<sup>191</sup> based on the representativeness and usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metric

The SASB revised provisional metric SV0201-08 from “Average hourly wage for hotel employees, by region; percentage of hotel employees earning minimum wage,” to “(1) Average hourly wage and (2) percentage of lodging facility employees earning minimum wage, by region.”

## Revision SV-HT:06 – **Industry:** Hotels & Lodging; **Topic Name:** Fair Labor Practices<sup>192</sup>

### 2017 Technical Agenda Item #6-8 Description

SASB is evaluating the revision of metric SV0201-07<sup>193</sup> based on the completeness of the metrics associated with the topic; and is evaluating the addition of a metric based on the usefulness of the metrics associated with the topic.

### Summary of Change – Add Metric and Revise Metric

The SASB added a new metric to the Fair Labor Practices<sup>194</sup> topic, “Description of policies and programs to prevent worker harassment.”

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<sup>190</sup> See Revision SV-HL:04 for the revised topic name.

<sup>191</sup> SV0201-08: Average hourly wage for hotel employees, by region; percentage of hotel employees earning minimum wage

<sup>192</sup> See Revision SV-HL:04 for the revised topic name.

<sup>193</sup> SV0201-07: Amount of legal and regulatory fines and settlements associated with labor law violations

<sup>194</sup> See Revision SV-HL:04 for the revised topic name.





## Resource Transformation Sector

Chemicals

Aerospace & Defense

Electrical & Electronic Equipment

Industrial Machinery & Goods

Containers & Packaging

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## Revision RT-CH:01 – **Industry:** Chemicals; **Topic Name:** Greenhouse Gas Emissions

### **Summary of Change – Revise Technical Protocol:**

The SASB revised the technical protocol to clarify aspects of the World Resources Institute (WRI) Greenhouse Gas (GHG) guidance related to the calculation and reporting of GHG emissions.

## Revision RT-CH:02 – **Industry:** Chemicals; **Topic Name:** Air Quality

### **2017 Technical Agenda Item #7-1 Description**

SASB is evaluating the removal of metric RT0101-04<sup>195</sup> to improve the cost-effectiveness of the standard.

### **Summary of Change – Remove Metric**

SASB removed metric RT0101-04, “Number of production facilities in or near areas of dense population.”

## Revision RT-CH:03 – **Industry:** Chemicals; **Topic Name:** Energy & Feedstock Management

### **2017 Technical Agenda Item #7-2 Description**

SASB is evaluating the removal of metric RT0101-06<sup>196</sup> to improve the cost-effectiveness of the standard.

### **Summary of Change – Remove Metric**

The SASB removed metric RT0101-06, “Percentage of raw materials from renewable resources.”

## Revision RT-CH:04 – **Industry:** Chemicals; **Topic Name:** Energy & Feedstock Management

### **2017 Technical Agenda Item #7-3 Description**

SASB is evaluating revisions to metric RT0101-05<sup>197</sup> to improve the decision-usefulness and completeness of the metrics associated with the topic.

### **Summary of Change – Revise Metrics:**

The SASB revised provisional metric RT0101-05, “Total energy consumed, percentage grid electricity, percentage renewable,” to add a new metric component that enables companies to disclose their share of self-generated

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<sup>195</sup> RT0101-04: Number of production facilities in or near areas of dense population

<sup>196</sup> RT0101-06: Percentage of raw materials from renewable resources

<sup>197</sup> RT0101-05: Total energy consumed, percentage grid electricity, percentage renewable

energy, and a secondary technical protocol line that allows registrants to report the amount of energy sold to an electric utility or end-use customer.

## Revision RT-CH:05 – **Industry:** Chemicals; **Topic Name:** Water Management

### 2017 Technical Agenda Item #7-4 Description

SASB is evaluating revisions to the water quality metric RT0101-08<sup>198</sup> to improve its decision-usefulness.

#### Summary of Change – Revise Metric:

The SASB revised metric RT0101-08, “Number of incidents of non-compliance with water quality permits, standards, and regulations,” to limit the scope to incidents of non-compliance to those that result in a formal enforcement action, as opposed to all types of incidents of non-compliance regardless of whether such incidents resulted in enforcement actions.

## Revision RT-CH:06 – **Industry:** Chemicals; **Topic Name:** Water Management

#### Summary of Change – Revise Metric:

The SASB implemented the following revisions to the metrics associated with the Water Management disclosure topic:

- Removed the water recycling component of provisional metric RT0101-07 and replaced it with water consumed; as a result, the metric was revised from, “(1) Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress and (2) percentage recycled water usage,” to 1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress”
- Added the following water management discussion and analysis metric, “Discussion of water management risks and discussion of strategies and practices to mitigate those risks.”

## Revision RT-CH:07 – **Industry:** Chemicals; **Topic Name:** Hazardous Waste Management

### 2017 Technical Agenda Item #7-5 Description

SASB is evaluating the technical protocol associated with metric RT0101-09<sup>199</sup> to improve its cost-effectiveness and alignment with existing reporting frameworks.

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<sup>198</sup> RT0101-08: Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations

<sup>199</sup> RT0101-09: Amount of hazardous waste, percentage recycled

## Summary of Change – Revise Technical Protocol:

The SASB revised the technical protocol of provisional metric RT0101-09, “Amount of hazardous waste, percentage recycled,” to define hazardous waste and hazardous waste recycled per the regulations prevalent at the point of waste generation. The revised approach eliminates the requirement to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. EPA’s Resource Conservation and Recovery Act (RCRA). Additionally, the SASB included a new disclosure requirement to report the hazardous waste regulations that were used to classify the company’s waste.

## Revision RT-CH:08 – **Industry:** Chemicals; **Topic Name:** Community Relations

### 2017 Technical Agenda Item #7-6 Description

SASB is evaluating the addition of a new topic and a new metric based on its relevance across the industry and the potential for performance on this topic to affect corporate value.

### Summary of Change – Add Topic and Metric

The SASB added a topic, Community Relations, along with an associated metric, “Description of process to manage risks and opportunities associated with community interests.” The technical protocol of the metric provides guidance for companies to discuss the internal processes used to manage risks and opportunities related to economic, environmental, and social aspects of community relations.

## Revision RT-CH:09 – **Industry:** Chemicals; **Topic Name:** Safety & Environmental Stewardship of Chemicals & Genetically Modified Organisms

### 2017 Technical Agenda Item #7-7 Description

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Safety & Environmental Stewardship of Chemicals & Genetically Modified Organisms into two separate disclosure topics: Safety & Environmental Stewardship of Chemicals, and Genetically Modified Organisms.

The following metrics are associated with the Safety & Environmental Stewardship of Chemicals topic:

- RT-CH-410a.1 – Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals Category I and II hazardous substances, percentage that have undergone a hazard assessment
- RT-CH-410b.1 – Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact

The following metric is associated with the Genetically Modified Organisms topic:

- RT-CH-410c.1 – Percentage of products by revenue that contain genetically modified organisms (GMOs)

## Revision RT-CH:10 – **Industry:** Chemicals; **Topic Name:** Safety & Environmental Stewardship of Chemicals & Genetically Modified Organisms

### **Summary of Change – Revise Metric:**

The SASB replaced the provisional quantitative metrics RT0101-10 and RT0101-11<sup>200</sup> with a new metric, “Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals Category I and II hazardous substances, percentage that have undergone a hazard assessment.”

## Revision RT-CH:11 – **Industry:** Chemicals; **Topic Name:** Safety & Environmental Stewardship of Chemicals & Genetically Modified Organisms

### **Summary of Change – Revise Technical Protocol:**

The SASB revised the technical protocol associated with metric RT0101-12 to more effectively communicate a company’s management approach to chemical safety and stewardship, including revisions to disclosure elements related to processes used to characterize chemical risks and gather product safety and environmental impact data.

## Revision RT-CH:12 – **Industry:** Chemicals; **Topic Name:** Political Spending

### **2017 Technical Agenda Item #7-8 Description**

SASB removed this topic based on a lack of evidence that performance on this topic has the potential to significantly affect corporate value.

### **Summary of Change – Remove Topic**

The SASB removed the Political Spending topic and the two associated quantitative metrics<sup>201</sup> based on a lack of evidence that the topic has the potential to significantly affect corporate value or operating performance.

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200 RT0101-10, “Percentage of products that contain Registration, Evaluation, Authorization and Restriction of Chemical (REACH) substances of very high concern (SVHC);” RT0101-11 “Percentage of products that contain Class I World Health Organization (WHO) Acute Toxicity Hazard Categories pesticides”

201 RT0101-13: Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade organizations; RT0101-14: Five largest political, lobbying, or tax-exempt group expenditures

## Revision RT-CH:13 – **Industry:** Chemicals; **Topic Name:** Management of the Legal & Regulatory Environment

### **2017 Technical Agenda Item #7-9 Description**

SASB is evaluating the potential for a new topic and associated metrics, based on the potential to affect corporate value. SASB will evaluate metrics RT0101-15<sup>202</sup> and RT0101-16<sup>203</sup> for relevance.

### **Summary of Change – Add Topic and Metric**

SASB added the following topic, Management of the Legal & Regulatory Environment topic, with an associated qualitative metric: “Discussion of positions on the regulatory environment related to environmental and social factors, and description of efforts to manage risks and opportunities presented.”

## Revision RT-CH:14 – **Industry:** Chemicals; **Topic Name:** Health, Safety, and Emergency Management

### **2017 Technical Agenda Item #7-10 Description**

SASB is evaluating the removal of metric RT0101-19<sup>204</sup> to improve the cost-effectiveness of the standard.

### **Summary of Change – Remove Metric:**

SASB removed metric RT0101-19, “Challenges to the Safety Systems indicator rate (Tier 3).”

## Revision RT-CH:15 – **Industry:** Chemicals; **Topic Name:** Health, Safety, and Emergency Management

### **Summary of Change – Topic Split:**

The SASB staff split the provisional disclosure topic “Health, Safety, and Emergency Management” into two separate topics - “Workforce Health & Safety” and “Operational Safety, Emergency Preparedness, and Response” – with the following associated metrics:

Workforce Health & Safety

RT0101-20 (1) Total recordable incident rate (TRIR) and (2) fatality rate for all employees

RT0101-21 Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks

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202 RT0101-15: Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups, including trade associations

203 RT0101-16: Five largest political, lobbying, or tax-exempt group expenditures

204 RT0101-19: Challenges to the Safety Systems indicator rate (Tier 3)



Operational Safety, Emergency Preparedness, and Response

RT0101-17 Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)

RT0101-18 Number of transport incidents

## Revision RT-AE:01 – **Industry:** Aerospace & Defense; **Topic Name:** Hazardous Waste Management

### **2017 Technical Agenda Item #7-11 Description**

SASB is evaluating the technical protocol associated with metric RT0201-02<sup>205</sup> to improve its cost-effectiveness and alignment with reporting frameworks.

### **Summary of Change – Revise Technical Protocol:**

The SASB revised the technical protocol of metric RT0201-02, “Amount of hazardous waste, percentage recycled,” to define hazardous waste and hazardous waste recycled per the regulations applicable at the point of waste generation. The revised approach eliminates the requirement for companies to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. EPA’s Resource Conservation and Recovery Act (RCRA), per the provisional technical protocol. Additionally, the SASB included a new disclosure requirement to report the hazardous waste regulations that were used to classify the company’s waste.

## Revision RT-AE:02 – **Industry:** Aerospace & Defense; **Topic Name:** Data Security

### **Technical Agenda Item #7-12 Description**

SASB is evaluating the addition of a metric to ensure the completeness and usefulness of the metrics associated with the topic.

### **Summary of Change – Revise Technical Protocol:**

SASB revised the provisional metric RT0201-05 - Discussion of approach to managing data security risks within (a) company operations and (b) products

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<sup>205</sup> RT0101-02: Amount of hazardous waste, percentage recycled

## Revision RT-AE:03 – **Industry:** Aerospace & Defense; **Topic Name:** Product Safety

### **Summary of Change – Revise Metric:**

The SASB revised the technical protocol language to expand the scope of the metric to include a discussion of recalls of products that occurred due to product safety concerns in addition to those that occurred due to product safety incidents.

## Revision RT-AE:04 - **Industry:** Aerospace & Defense; **Topic Name:** Supply Chain Management & Materials Sourcing

### **2017 Technical Agenda Item #7-13 Description**

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### **Summary of Change – Rename Topic**

The SASB (1) renamed the topic “Supply Chain Management & Materials Sourcing” to “Materials Sourcing,” and, (2) moved metric “RT0201-14 Number of counterfeit parts detected, percentage avoided” from the “Materials Sourcing” disclosure topic to the “Product Safety” disclosure topic. The “Materials Sourcing” topic included<sup>206</sup> the following metrics:

- RT0201-14: Number of counterfeit parts detected, percentage avoided
- RT0201-15: Percentage of materials costs for items containing critical materials
- RT0201-16: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free
- RT0201-17: Discussion of the management of risks associated with the use of critical materials and conflict minerals

## Revision RT-AE:05 – **Industry:** Aerospace & Defense; **Topic Name:** Supply Chain Management & Materials Sourcing

### **2017 Technical Agenda Item #7-14 Description**

SASB is evaluating the revision and/or removal of metrics RT0201-16<sup>207</sup> and RT0201-17<sup>208</sup> to improve the cost-effectiveness and decision-usefulness of the metrics associated with the topic.

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<sup>206</sup> Metrics RT0201-15, RT0201-16, and RT0201-17 were revised per Revision RT-AE:05

<sup>207</sup> RT0201-16: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

<sup>208</sup> RT0201-17: Discussion of the management of risks associated with the use of critical materials and conflict minerals

## Summary of Change – Revise Topic and Metrics

The SASB revised the scope of the Supply Chain Management & Materials Sourcing disclosure topic to improve the representation of potential financial impacts stemming from risks and opportunities related to resource scarcity. As a result of the topic revision, the SASB removed two provisional metrics:

- RT0201-16, “Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free”
- RT0201-15, “Percentage of materials costs for items containing critical materials.”

Additionally, the SASB removed the term “conflict minerals” from metric RT0201-17, “Discussion of the management of risks associated with the use of critical materials and conflict minerals” and revised the technical protocol to require companies to identify which primary critical materials present risk to their operations.

## Revision RT-EE:01 – **Industry:** Electrical & Electronic Equipment; **Topic Name:** Hazardous Waste Management

### Summary of Change – Revise Technical Protocol:

The SASB revised the technical protocol of metric RT0202-02, “Amount of hazardous waste, percentage recycled,” to define hazardous waste and hazardous waste recycled per the regulations prevalent at the point of waste generation. The revised approach changed the requirement to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. EPA’s Resource Conservation and Recovery Act (RCRA). Additionally, the SASB included a new disclosure requirement to report the hazardous waste regulations that were used to classify the company’s waste.

## Revision RT-EE:02 – **Industry:** Electrical & Electronic Equipment; **Topic Name:** Product Lifecycle Management & Innovation for Environmental Efficiency

### 2017 Technical Agenda Item #7-16 Description

SASB is evaluating the revision of metric RT0202-07<sup>209</sup> to improve the representativeness and decision-usefulness of the metrics associated with the topic.

### No Revision

The Technical Agenda proposal to revise the scope of metric RT0202-07 intended to remove a redundancy with the scope of metric RT0202-08, which includes the measurement revenues from electrical equipment that deliver energy efficiency gains to customers. However, further review of the provisional metrics found that there is no redundancy between the scope of the metrics that would require revision.

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<sup>209</sup> RT0202-07: Revenue from renewable energy-related and energy efficiency-related products

The percentage of eligible products by revenue that meet ENERGY STAR® criteria (RT0202-07) is a measure of the market (revenue) *potential* for products that enhance customer efficiency. Conversely, the revenue from renewable energy-related and energy efficiency-related products (RT0202-08) measures the *current* revenue from products that can enhance customer efficiency. The two metrics thus measure different market angles and are independently useful and complete, and provide fair representation of performance.

## Revision RT-EE:03 - **Industry:** Electrical & Electronic Equipment; **Topic Name:** Product Lifecycle Management & Innovation for Environmental Efficiency

### **2017 Technical Agenda Item #7-15 Description**

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### **Summary of Change – Rename Topic**

The SASB renamed the disclosure topic from Product Lifecycle Management & Innovation for Environmental Efficiency to Product Lifecycle Management.

## Revision RT-EE:04 – **Industry:** Electrical & Electronic Equipment; **Topic Name:** Product Lifecycle Management & Innovation for Environmental Efficiency & Innovation for Environmental Efficiency

### **2017 Technical Agenda Item #7-17 Description**

SASB is evaluating the removal of metric RT0202-09<sup>210</sup> to improve the cost-effectiveness of the standard and the applicability of the metrics associated with the topic.

### **Summary of Change – Remove Metric**

SASB removed provisional metric RT0202-09, “Total energy cost savings achieved through energy performance contracts.”

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<sup>210</sup> RT0202-09: Total energy cost savings achieved through energy performance contracts

## Revision RT-EE:05 – **Industry:** Electrical & Electronic Equipment; **Topic Name:** Materials Sourcing

### 2017 Technical Agenda Item #7-18 Description

SASB is evaluating the revision and/or removal of metrics RT0202-14<sup>211</sup> and RT0202-15<sup>212</sup> to improve the cost-effectiveness and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Topic and Metrics

The SASB revised the scope of the Materials Sourcing disclosure topic to improve the representation of potential financial impacts stemming from risks and opportunities related to resource scarcity. As a result of the topic revision, the SASB removed two provisional metrics:

- RT0202-14, “Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free”
- RT0202-13 “Percentage of materials costs for items containing critical materials.”

Additionally, the SASB removed the term “conflict minerals” from metric RT0201-15, “Discussion of the management of risks associated with the use of critical materials and conflict minerals” and revised the technical protocol to require companies to identify which primary critical materials present risk to their operations.

## Revision RT-EE:06 – **Industry:** Electrical & Electronic Equipment; **Topic Name:** Business Ethics & Competitive Behavior

### Summary of Change – Revise Topic Name:

The SASB revised the topic name from Business Ethics & Competitive Behavior to Business Ethics.

## Revision RT-IG:01 – **Industry:** Industrial Machinery & Goods; **Topic Name:** Fuel Economy & Emissions in Use-phase

### 2017 Technical Agenda Item #7-19 Description

SASB is evaluating the revision of metric RT0203-06<sup>213</sup> to improve its decision-usefulness.

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211 RT0202-14: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

212 RT0202-15: Discussion of the management of risks associated with the use of critical materials and conflict minerals

213 RT0203-06: Sales-weighted emissions of (a) NOx and (b) PM for: (1) marine diesel engines, (2) locomotive diesel engines, and (3) other non-road diesel engines

## Summary of Change – Revise Metrics

The SASB revised provisional metric RT0203-06, “Sales-weighted emissions of (a) NO<sub>x</sub> and (b) PM for: (1) marine diesel engines, (2) locomotive diesel engines, and (3) other non-road diesel engines” by adding a fourth product category, “(4) on-road medium- and heavy-duty engines,” and including the following note to the metric requiring the disclosure of qualitative information of a company’s strategy and approach to address fuel economy and greenhouse gas emissions of products: “Discussion of strategies and approach to managing fleet fuel economy and emissions risks and opportunities.”

## Revision RT-IG:02 – **Industry:** Industrial Machinery & Goods; **Topic Name:** Materials Sourcing

### 2017 Technical Agenda Item #7-20 Description

SASB is evaluating the revision and/or removal of metrics RT0203-09<sup>214</sup> and RT0203-10<sup>215</sup> to improve the cost-effectiveness and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Topic: Materials Sourcing

The SASB revised the scope of the Materials Sourcing disclosure topic to improve the representation of potential financial impacts stemming from risks and opportunities related to resource scarcity. As a result of the topic revision, the SASB removed two provisional metrics:

- RT0203-09, “Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free”
- RT0203-08, “Percentage of materials costs for items containing critical materials.”

Additionally, the SASB removed the term “conflict minerals” from the provisional metric RT0203-10, “Discussion of the management of risks associated with the use of critical materials and conflict minerals” and revised the technical protocol to require companies to identify which primary critical materials present risk to their operations.

## Revision RT-CP:01 – **Industry:** Containers & Packaging; **Topic Name:** Greenhouse Gas Emissions

### Summary of Change – Revise Metric:

The SASB revised the technical protocol to clarify aspects of the World Resources Institute (WRI) Greenhouse Gas (GHG) guidance related to the calculation and reporting of GHG emissions.

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214 RT0202-09: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

215 RT0202-10: Discussion of the management of risks associated with the use of critical materials and conflict minerals

## Revision RT-CP:02 – **Industry:** Containers & Packaging; **Topic Name:** Air Quality

### 2017 Technical Agenda Item #7-21 Description

SASB is evaluating the revision of metric RT0204-03<sup>216</sup> to improve its cost-effectiveness and alignment with existing regulations.

#### Summary of Change – Revise Metric

The SASB revised metric RT0204-03 from “Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, particulate matter (PM), and volatile organic compounds (VOCs)” to allow companies within the paper products segment to report air emissions per existing industry practices. In addition, the technical protocol was revised such that, for paper-based packaging products, (1) SO<sub>x</sub> emissions may be reported as SO<sub>2</sub>, and (2) VOC emissions may be reported as total carbon emissions. The technical protocol was revised to reflect these changes and provide guidance regarding associated definitions, scope, compilation, and presentation of the revised metric.

## Revision RT-CP:03 – **Industry:** Containers & Packaging; **Topic Name:** Energy Management

### 2017 Technical Agenda Item #7-22 Description

SASB is evaluating revisions to metric RT0204-04<sup>217</sup> to improve the decision-usefulness and completeness of the metrics associated with the topic.

#### Summary of Change – Revise Technical Protocol

SASB revised the technical protocol of the provisional metric RT0204-04, “Total energy consumed, percentage grid electricity, percentage renewable,” to add a new metric component that enables companies to disclose their share of self-generated energy, and a secondary technical protocol line that allows registrants to report the amount of energy sold to an electric utility or end-use customer.

## Revision RT-CP:04 – **Industry:** Containers & Packaging; **Topic Name:** Water Management

#### Summary of Change – Revise Metric:

The SASB implemented the following revisions to the metrics associated with the Water Management disclosure topic:

- Removed the water recycling metric component of provisional metric RT0101-07 and replaced it with water consumed; as a result, the metric was revised from, “(1) Total water withdrawn, percentage in

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<sup>216</sup> RT0204-03: Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>2</sub>, particulate matter (PM), and volatile organic compounds (VOCs)

<sup>217</sup> RT0204-04: Total energy consumed, percentage grid electricity, percentage renewable

regions with High or Extremely High Baseline Water Stress and (2) percentage recycled water usage,” to “(1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.”

- Added the following water management discussion and analysis metric, “Discussion of water management risks and description of strategies and practices to mitigate those risks”.

## Revision RT-CP:05 – **Industry:** Containers & Packaging; **Topic Name:** Water Management

### 2017 Technical Agenda Item #7-23 Description

SASB is evaluating revisions to the water quality metric RT0204-06<sup>218</sup> to improve its decision-usefulness.

#### Summary of Change – Revise Metric:

SASB revised metric RT0204-06, “Number of incidents of non-compliance with water quality permits, standards, and regulations,” to limit the scope to incidents that result in a formal enforcement action, as opposed to all incidents of non-compliance, regardless of whether such incidents resulted in enforcement actions.

## Revision RT-CP:06 – **Industry:** Containers & Packaging; **Topic Name:** Waste Management

### 2017 Technical Agenda Item #7-24 Description

SASB is evaluating the technical protocol associated with metric RT0204-07<sup>219</sup> to improve its cost-effectiveness and alignment with existing reporting frameworks.

#### Summary of Change – Revise Technical Protocol:

The SASB revised the technical protocol of provisional metric RT0204-07, “Amount of hazardous waste, percentage recycled,” to define hazardous waste and hazardous waste recycled per the regulations prevalent at the point of waste generation. The revised approach changed the requirement to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. EPA’s Resource Conservation and Recovery Act (RCRA). Additionally, the SASB included a new disclosure requirement to report the hazardous waste regulations that were used to classify the company’s waste.

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<sup>218</sup> RT0204-06: Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations

<sup>219</sup> RT0204-07: Amount of total waste from manufacturing, percentage hazardous, percentage recycled



## Revision RT-CP:07 – **Industry:** Containers & Packaging; **Topic Name:** Product Lifecycle Management

### **2017 Technical Agenda Item #7-25 Description**

SASB is evaluating the revision of metric RT0204-10<sup>220</sup> to improve its decision-usefulness and representativeness

#### **Summary of Change – Revise Metric:**

The SASB revised provisional metric RT0204-10 from “Percentage of raw materials from (1) recycled content (2) renewable resources” to “Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content”

## Revision RT-CP:08 – **Industry:** Containers & Packaging; **Topic Name:** Product Lifecycle Management

#### **Summary of Change – Revise Technical Protocol:**

The SASB added the following line in the technical protocol of metric RT0204-10 to allow companies to report recycled wood fiber content per industry guidance:

“For paper-based products, companies may calculate the percentage recycled as the total product fiber weight (in metric tons) of raw materials from recycled content divided by the total fiber weight (in metric tons) of all raw materials for products.”

## Revision RT-CP:09 - **Industry:** Containers & Packaging; **Topic Name:** Materials Sourcing

### **2017 Technical Agenda Item #7-26 Description**

SASB is evaluating the revision of metric RT0204-13<sup>221</sup> to improve the decision-usefulness and completeness of the metrics associated with the topic.

#### **Summary of Change – Revise Metric:**

The SASB revised the word “purchased” to “procured” in the provisional metric and technical protocol of RT0204-13, “Total wood fiber purchased, percentage from certified sources.”

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<sup>220</sup> RT0204-10: Percentage of raw materials from (1) recycled content (2) renewable resources

<sup>221</sup> RT0204-13: Total wood fiber purchased, percentage from certified sources

## Revision RT-CP:10 – **Industry:** Containers & Packaging; **Topic Name:** Materials Sourcing

### **2017 Technical Agenda Item #7-27 Description**

SASB is evaluating the revision of the technical protocol associated with metric RT0204-13<sup>222</sup> to improve its clarity.

### **No Revision**

The proposed technical protocol revision in Technical Agenda item 7-27 is now addressed within Technical Agenda item 7-26, wherein the scope of metric RT0204-13 is revised by replacing the word “purchased” with the word “procured” in the metric and in the technical protocol.

## Revision RT-CP:11 – **Industry:** Containers & Packaging; **Topic Name:** Materials Sourcing

### **Summary of Change – Revise Topic Name:**

The SASB revised the topic name from “Materials Sourcing” to “Supply Chain Management”.

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<sup>222</sup> RT0204-13: Total wood fiber purchased, percentage from certified sources



## Food & Beverage Sector

Agricultural Products

Meat, Poultry & Dairy

Processed Foods

Non-Alcoholic Beverages

Alcoholic Beverages

Tobacco

Food Retailers & Distributors

Restaurants

Prepared by the  
Sustainability Accounting Standards Board®

# Revision FB-AG:01 to Revision FB-AG:08 – **Industry:** Agricultural Products; **Topic:** Industry Description and Various Topics

## 2017 Technical Agenda Item Descriptions

**Revision FB-AG:01:** SASB is evaluating the operations of companies within the Agricultural Products industry to improve the relevance and applicability of the topics and metrics.

**Revision FB-AG:02:** SASB is evaluating the removal of provisional metric CN0101-02<sup>223</sup> to improve the cost-effectiveness of the standard and the applicability of the metrics associated with the topic.

**Revision FB-AG:03:** SASB is evaluating the suitability of the topic name.

**Revision FB-AG:04:** SASB is evaluating revisions to the topics, including corresponding provisional metrics CN0101-06<sup>224</sup>, CN0101-07<sup>225</sup>, and CN0101-10<sup>226</sup>, to improve the materiality of the standard, the relevance of the topics across the industry, and the applicability of the metrics.

**Revision FB-AG:05:** SASB is evaluating the removal of the topic, including corresponding provisional metrics CN0101-08<sup>227</sup>, CN0101-09<sup>228</sup>, CN0101-11<sup>229</sup>, and CN0101-12<sup>230</sup> to improve the cost-effectiveness of the standard and the relevance of the topics across the industry.

**Revision FB-AG:06:** SASB is evaluating the suitability of the topic name.

**Revision FB-AG:07:** SASB is evaluating revisions to the topic, including corresponding provisional metrics CN0101-17<sup>231</sup> and CN0101-19<sup>232</sup> to improve the relevance of the topic across the industry, and the applicability of the metrics.

**Revision FB-AG:08:** SASB is evaluating revisions to the topic, including corresponding provisional metrics CN0101-20<sup>233</sup> and CN0101-21<sup>234</sup> to improve the relevance of the topic across the industry, and the applicability of the metrics.

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<sup>223</sup> CN0101-02: Biogenic carbon dioxide (CO<sub>2</sub>) emissions.

<sup>224</sup> CN0101-06: (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress

<sup>225</sup> CN0101-07: Discussion of water withdrawal risks and description of management strategies and practices to mitigate those risks

<sup>226</sup> CN0101-10: Number of incidents of non-compliance with water-quality permits, standards, and regulations

<sup>227</sup> CN0101-08: Description of strategies to manage land use and ecological impacts

<sup>228</sup> CN0101-09: (1) Volume of wastewater reused and (2) volume of wastewater discharged to the environment

<sup>229</sup> CN0101-11: Amount of fertilizer consumption by: (1) nitrogen-based, (2) phosphate-based, and (3) potassium-based fertilizers

<sup>230</sup> CN0101-12: Amount of pesticide consumption by hazard level

<sup>231</sup> CN0101-17: Percentage of farms and facilities certified for fair labor practices

<sup>232</sup> CN0101-19: Description of efforts to assess, monitor, and reduce exposure of direct, seasonal, and migrant employees to pesticides

<sup>233</sup> CN0101-20: Amount of crop losses, percentage offset through financial mechanisms

<sup>234</sup> CN0101-21: Average crop yield and five-year standard deviation per major crop type by major operating region

## Summary of Change – Revise Industry Scope, and Related Topics and Metrics

The SASB revised the scope of the Agricultural Products industry, including the industry description, to better reflect the actual operations of companies in the industry (Revision FB-AG:01). More specifically, while the provisional standard included on-farm operations within the industry scope, companies in the industry do not generally own or directly control farming operations. As a result, the industry scope (as defined in the “Industry Description” in the provisional standard) is narrowed by removing the reference to “growing” agricultural products and instead, focusing on the variety of activities that better reflect actual industry operations, including the processing, trading, distributing, and storage of agricultural products.

This revised industry scope (Revision FB-AG:01) establishes the rationale for multiple, related revisions to several disclosure topics and the corresponding metrics, as summarized below:

Topic: Greenhouse Gas Emissions

- Revision FB-AG:02: Removed provisional metric CN0101-02, “Biogenic carbon dioxide (CO<sub>2</sub>) emissions.”

Topic: Water Withdrawal

- Revision FB-AG:03: Renamed topic to Water Management.
- Revision FB-AG:04: Revised provisional topic scope to remove on-farm water withdrawals, as well as to include an aspect of water management related to wastewater.
- Revision FB-AG:04: Revised provisional metric CN0101-07 from “Discussion of risks associated with water withdrawal and description of strategies and practices to mitigate those risks” to “Description of water management risks and discussion of strategies and practices to mitigate those risks.”

Topic: Land Use & Ecological Impacts

- Revision FB-AG:04: Moved provisional metric CN0101-10, “Number of incidents of non-compliance with water-quality permits, standards, and regulations,” from the provisional topic, Land Use & Ecological Impacts, to the revised topic, Water Management.
- Revision FB-AG:05: Removed the provisional topic and the following corresponding provisional metrics (which constitute all metrics associated with the topic, except CN0101-10, which is proposed to be moved to a different topic, as per Revision FB-AG:04):
  - CN0101-08: Description of strategies to manage land use and ecological impacts

- CN0101-09: (1) Volume of wastewater reused and (2) volume of wastewater discharged to the environment
- CN0101-11: Amount of fertilizer consumption by: (1) nitrogen-based, (2) phosphate-based, and (3) potassium-based fertilizers
- CN0101-12: Amount of pesticide consumption by hazard level

Topic: Fair Labor Practices & Workforce Health & Safety

- Revision FB-AG:06: Renamed topic to Workforce Health & Safety
- Revision FB-AG:07: Removed the following provisional metrics:
  - CN0101-17: Percentage of farms and facilities certified for fair labor practices
  - CN0101-19: Description of efforts to assess, monitor, and reduce exposure of direct, seasonal, and migrant employees to pesticides

Topic: Climate Change Impacts on Crop Yields

- Revision FB-AG:08: Removed the provisional topic, Climate Change Impacts on Crop Yields, and the following corresponding provisional metrics:
  - CN0101-20: Amount of crop losses, percentage offset through financial mechanisms
  - CN0101-21: Average crop yield and five-year standard deviation per major crop type by major operating region
- Revision FB-AG:08: Moved provisional metric CN0101-22, “Identification of principal crops and discussion of risks and opportunities presented by climate change,” from the provisional topic, Climate Change Impacts on Crop Yields, to the topic, Ingredient Sourcing.

## Revision FB-AG:09– **Industry:** Agricultural Products; **Topic Name:** Energy & Fleet Fuel Management

### **Summary of Change – Rename Topic and Move Metric**

The SASB renamed the provisional disclosure topic, Energy & Fleet Fuel Management, to Energy Management. The provisional metric CN0101-05, “Fleet fuel consumed, percentage renewable,” was moved to the Greenhouse Gas Emissions topic.

## Revision FB:AG-10 – **Industry:** Agricultural Products; **Topic Name:** Water Withdrawal

### 2017 Technical Agenda Item #8-5 Description

SASB is evaluating revisions to the water quality metric CN0101-10<sup>235</sup> to improve its decision-usefulness.

### Summary of Change – Revise Technical Protocol

The SASB revised the provisional metric CN0101-10, “Number of incidents of non-compliance with water-quality and/or quantity permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision FB-AG:11 – **Industry:** Agricultural Products; **Topic Name:** Food Safety & Health Concerns

### 2017 Technical Agenda Item #8-7 Description

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### Summary of Change – Split Topic

The SASB split the provisional disclosure topic “Food Safety & Health Concerns” into two separate topics: “Food Safety” and “GMO Management”.

The following metrics are associated with the Food Safety topic:

CN0101-13– Global Food Safety Initiative (GFSI) audit conformance: (1) major non-conformance rate and associated corrective action rate and (2) minor non-conformance rate and associated corrective action rate

CN0101-14 – Percentage of agricultural products sourced from suppliers certified to a GFSI scheme

CN0101-15 – Number of recalls issued, total amount of food product recalled

The following metric is associated with the GMO Management topic:

CN0101-16 – Description of strategies to manage the use of genetically modified organisms (GMOs)

## Revision FB-AG:12 – **Industry:** Agricultural Products; **Topic Name:** Environmental & Social Impacts of the Ingredient Supply Chains

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<sup>235</sup> CN0101-10: Number of incidents of non-compliance with water-quality permits, standards, and regulations

## Summary of Change – Split Topic

The SASB split the provisional disclosure topic Environmental & Social Impacts of the Ingredient Supply Chains into two separate topics: Environmental & Social Impacts of Ingredient Supply Chain and Ingredient Sourcing.

The following metrics are associated with the Environmental & Social Impacts of Ingredient Supply Chain topic:

- FB-AG-430a.1 – Description of management strategy for environmental and social risks arising from contract growing and commodity sourcing
- FB-AG-430a.2 – Percentage of agricultural raw materials that are certified to a third-party environmental and/or social standard
- FB-AG-430a.3 – Suppliers’ social and environmental responsibility audit conformance: (1) major non-conformance rate and associated corrective action rate and (2) minor non-conformance rate and associated corrective action rate<sup>236</sup>

The following metrics are associated with the Ingredient Sourcing topic:

- FB-AG-440a.1 – Identification of principal crops and discussion of risks and opportunities presented by climate change<sup>237</sup>
- FB-AG-440a.2 – Percentage of agricultural raw materials sourced from regions with High or Extremely High Baseline Water Stress

## Revision FB-AG:13 – **Industry:** Agricultural Products; **Topic Name:** Environmental & Social Impacts of Ingredient Supply Chains

### 2017 Technical Agenda Item #8-11 Description

SASB is evaluating the addition of a metric to improve the usefulness, representativeness, and completeness of the metrics associated with the topic, as well as to increase alignment with existing industry standards.

### Summary of Change – Add Metric

The SASB added the following metric to the Environmental & Social Impacts of Ingredient Supply Chains<sup>238</sup> provisional topic: “Suppliers’ social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances.”

## Revision FB-AG:14 – **Industry:** Agricultural Products; **Topic**

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<sup>236</sup> See Revision FB-AG:13, which adds this metric to the industry standard.

<sup>237</sup> See Revision FB-AG:08, which moves this metric from the Climate Change Impacts on Crop Yields provisional topic.

<sup>238</sup> See Revision FB-AG:12, which splits the provisional disclosure topic “Environmental & Social Impacts of the Ingredient Supply Chains” into two separate topics, “Environmental & Social Impacts of Ingredient Supply Chain” and “Ingredient Sourcing”.



# **Name:** Environmental & Social Impacts of Ingredient Supply Chains

## **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol to the provisional metric CN0101-24 “Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing” to explicitly address environmental and labor risks related to agrochemical usage.

Specifically, provisional metric CN0101-24 was revised from:

For environmental risks, relevant strategies to discuss include the diversification of suppliers, supplier training programs on environmental best management practices, expenditures on R&D for alternative and substitute crops, and audits or certifications of suppliers’ environmental practices.

For social risks, relevant strategies to discuss include supplier training programs on agrochemical application, engagement with suppliers on labor and human rights issues, maintenance of a supply chain code of conduct, and audits or certifications of suppliers’ social practices.

to (additions underlined)

For environmental risks, relevant strategies to discuss include the diversification of suppliers, supplier training programs on environmental best management practices including implementation of agricultural management practice systems (MPS) including for fertilizer use, integrated pest management (IPM), and/or efforts to address deforestation, expenditures on R&D for alternative and substitute crops, and audits or certifications of suppliers’ environmental practices.

For social risks, relevant strategies to discuss include supplier training programs on agrochemical application, engagement with suppliers on labor and human rights issues and workforce health and safety issues such as exposure to pesticide, maintenance of a supply chain code of conduct, and audits or certifications of suppliers’ social practices.

## Revision FB-AG:15 – **Industry:** Agricultural Products; **Topic Name:** Management of the Legal & Regulatory Environment

### **2017 Technical Agenda Item #8-12 Description**

SASB is evaluating revisions to the topic, including the corresponding metric CN0101-26<sup>239</sup>, to improve the cost-effectiveness and materiality of the standard.

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<sup>239</sup> CN0101-26: Discussion of positions on the regulatory and political environment related to environmental and social factors and description of efforts to manage risks and opportunities presented

## Summary of Change – Remove Topic and Metric

The SASB removed the provisional topic Management of Legal & Regulatory Environment from the standard, along with the corresponding provisional metric CN0101-26: “Discussion of positions on the regulatory and political environment related to environmental and social factors and description of efforts to manage risks and opportunities presented.”

## Revision FB-MP:01 and FB-MP:02 – **Industry:** Meat, Poultry & Dairy; **Topic Name:** Water Withdrawal (and Land Use & Ecological Impacts for Revision FB-MP:02)

### 2017 Technical Agenda Item Descriptions

**#8-13:** SASB is evaluating the suitability of the topic name.

**#8-14:** SASB is evaluating revisions to the topics, including corresponding metrics CN0102-05<sup>240</sup>, CN0102-06<sup>241</sup>, and CN0102-07<sup>242</sup>, to improve the materiality of the standard, the relevance of the topics across the industry, and the applicability of the metrics.

## Summary of Change – Revise Topic and Metrics

The SASB implemented the following changes related to the topic in the provisional standard, Water Withdrawal, including its corresponding metrics, which will also affect the topic, Land Use & Ecological Impacts, and a corresponding metric:

Revision FB-MP:01: Renamed the provisional topic Water Withdrawal to Water Management.

Revision FB-MP:02:

- Expanded the scope of the topic, Water Withdrawal (renamed, as described above) to more holistically include water management, including aspects related to the management of wastewater.
- Moved metric CN0102-06, “Number of incidents of non-compliance with water-quality permits, standards, and regulations,” from the Land Use & Ecological Impacts topic to the Water Withdrawal topic (renamed, as described above).
- Consolidated the provisional metric CN0102-05, “Discussion of risks associated with water withdrawal and description of strategies and practices to mitigate those risks,”

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<sup>240</sup> CN0102-05: Discussion of risks associated with water withdrawal and description of strategies and practices to mitigate those risks

<sup>241</sup> CN0102-06: Number of incidents of non-compliance with water-quality permits, standards, and regulations

<sup>242</sup> CN0102-07: Discussion of risks associated with water discharges and description of strategies and practices to mitigate those risks

associated with the provisional Water Withdrawal topic, with the provisional metric CN0102-07, “Discussion of risks associated with water discharges and description of strategies and practices to mitigate those risks,” associated with the Land Use & Ecological Impacts topic, into the following metric to be associated with the Water Withdrawal topic (renamed, as described above), “Discussion of water management risks and description of strategies and practices to mitigate those risks.”

## Revision FB-MP:03 – **Industry:** Meat, Poultry & Dairy; **Topic Name:** Land Use & Ecological Impacts

### 2017 Technical Agenda Item #8-15 Description

SASB revised the water quality metric CN0102-06<sup>243</sup> to improve its decision-usefulness.

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for metric CN0102-06, “Number of incidents of non-compliance with water quality permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision FB-MP:04 – **Industry:** Meat, Poultry & Dairy; **Topic Name:** Land Use & Ecological Impacts

### 2017 Technical Agenda Item #8-16 Description

SASB is evaluating the revision of metrics CN0102-08<sup>244</sup>, CN0102-09<sup>245</sup>, and CN0102-10<sup>246</sup> to improve the applicability and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Metrics

SASB updated the technical protocols for metrics CN0102-08, CN0102-09, and CN0102-10 within the Land Use & Ecological Impacts topic to expand their scope to include operations outsourced to third parties.

## Revision FB-MP:05 – **Industry:** Meat, Poultry & Dairy; **Topic Name:** Antibiotic Use in Animal Production

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<sup>243</sup> CN0102-06: Number of incidents of non-compliance with water-quality permits, standards, and regulations

<sup>244</sup> CN0102-08: Amount of animal litter and manure generated, percentage managed according to a nutrient management plan

<sup>245</sup> CN0102-09: Percentage of pasture and grazing land managed to NRCS Conservation Plan criteria

<sup>246</sup> CN0102-10: Animal protein production from concentrated animal feeding operations (CAFO)

## Summary of Change – Revise Metric

The SASB revised provisional metric CN0102-17 “Percentage of animal production that receives (1) medically important antibiotics and (2) nontherapeutic antibiotics” to “Percentage of animal production that receives (1) medically important antibiotics and (2) not medically important antibiotics, by animal type.”

## Revision FB-MP:06 – **Industry:** Meat, Poultry & Dairy; **Topic Name:** Environmental & Social Impacts of the Animal Supply Chain

### Summary of Change – Revise Topics and Metrics

The SASB implemented the following changes related to the provisional topics, Environmental & Social Impacts of Animal Supply Chains and Environmental Risks in Animal Feed Supply Chains, and their associated metrics:

- Renamed the provisional topic Environmental Risks in Animal Feed Supply Chains to Animal & Feed Sourcing.

- Moved provisional metrics CN0102-22, “Percentage of contract producers in regions with High or Extremely High Baseline Water Stress” and CN0102-24, “Discussion of strategy to manage opportunities and risks to livestock supply presented by climate change” from the topic, Environmental & Social Impacts of Animal Supply Chains to the renamed topic, Animal & Feed Sourcing.

- Merged the provisional metrics CN0102-24, “Discussion of strategy to manage opportunities and risks to livestock supply presented by climate change” and CN0102-26, “Discussion of strategy to manage opportunities and risks to feed sourcing presented by climate change” into a single metric in the renamed Animal & Feed Sourcing topic.

## Revision FB-PF:01 – **Industry:** Processed Foods; **Topic Name:** Energy & Fleet Fuel Management

### Summary of Change – Revise Topic and Remove Metric

The SASB revised the provisional disclosure topic Energy & Fleet Fuel Management to eliminate the aspect of fleet fuel management and therefore exclusively focus on energy management. As a result, provisional metric, CN0103-02, “Fleet fuel consumed, percentage renewable,” has been removed. Furthermore, the topic has been renamed to Energy Management.

## Revision FB-PF:02 – **Industry:** Processed Foods; **Topic Name:** Water Management

## 2017 Technical Agenda Item #8-19 Description

SASB is evaluating revisions to the water quality metric CN0103-04<sup>247</sup> to improve its decision-usefulness.

### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol for metric CN0103-04, “Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision FB-PF:03 – **Industry:** Processed Foods; **Topic Name:** Health & Nutrition

### Summary of Change – Revise Metric

The SASB revised provisional metric CN0103-10 from “Description of the process to identify and manage products and ingredients of concern and emerging dietary preferences” to “Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers.”

## Revision FB-PF:04 – **Industry:** Processed Foods; **Topic Name:** Health & Nutrition

## 2017 Technical Agenda Item #8-17 Description

SASB is evaluating the removal of metric CN0103-11<sup>248</sup> to improve the cost-effectiveness and applicability of the metrics associated with the topic.

### Summary of Change – Remove Metric

The SASB removed metric CN0103-11, “Revenue from products that meet Smart Snacks in School criteria or foreign equivalent.”

## Revision FB-PF:05 – **Industry:** Processed Foods; **Topic Name:** Product Labeling & Marketing

## 2017 Technical Agenda Item #8-18 Description

SASB is evaluating the revision of metric CN0103-13<sup>249</sup> to improve its representativeness.

### Description of Change – Revise Metric

The SASB revised the provisional metric CN0103-13 from “Number of child advertising impressions made, percentage promoting products meeting the Children’s Food and Beverage Initiative (CFBAI) Uniform Nutrition

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<sup>247</sup> CN0103-04: Number of incidents of non-compliance with water-quality permits, standards, and regulations

<sup>248</sup> CN0103-11: Revenue from products that meet Smart Snacks in School criteria or foreign equivalent.

<sup>249</sup> CN0103-13: Number of child advertising impressions made, products meeting the Children’s Food and Beverage Initiative Uniform Nutrition Criteria.

Criteria” to “Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines.”

## Revision FB-PF:06 – **Industry:** Processed Foods; **Topic Name:** Environmental & Social Impacts of the Ingredient Supply Chains

### **Summary of Change – Split Topic**

The SASB split the provisional disclosure topic Environmental & Social Impacts of the Ingredient Supply Chains into two separate topics: Environmental & Social Impacts of Ingredient Supply Chain and Ingredient Sourcing.

The following metrics are associated with the Environmental & Social Impacts of Ingredient Supply Chain topic:

- FB-PF:430a.1 – Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard
- FB-PF:430a.2 – Suppliers’ social and environmental responsibility audit (1) major non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

The following metrics are associated with the Ingredient Sourcing topic:

- FB-PF:440a.1 – Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress
- FB-PF:440a.2 – List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations

## Revision FB-NB:01– **Industry:** Non-Alcoholic Beverages; **Topic Name:** Energy & Fleet Fuel Management

### **Summary of Change – Split Topic**

The SASB split the provisional disclosure topic Energy & Fleet Fuel Management into two separate topics: Greenhouse Gas Emissions and Energy Management.

The following metric is associated with the Greenhouse Gas Emissions topic:

FB-NB-110a.1 – Fleet fuel consumed, percentage renewable

The following metrics are associated with the Energy Management topic:

FB-NB-130a.1 – Operational energy consumed, percentage grid electricity, percentage renewable

## Revision FB-NB:02– **Industry:** Non-Alcoholic Beverages; **Topic Name:** Health & Nutrition

### **Description of Change – Revise Metric**

The SASB revised provisional metric CN0201-06 from “Description of the process to identify and manage products and ingredients of concern and emerging dietary preferences” to “Discussion of the process to identify and manage products and ingredients of concern and emerging dietary preferences.”

## Revision FB-NB:03 – **Industry:** Non-Alcoholic Beverages; **Topic Name:** Product Labeling & Marketing

### **2017 Technical Agenda Item #8-20 Description**

SASB is evaluating the revision of metric CN0201-07<sup>250</sup> to improve its representativeness.

### **Description of Change – Revise Metrics**

The SASB revised provisional metric CN0201-07 from “Number of child advertising impressions made, percentage promoting products meeting the Children’s Food and Beverage Initiative (CFBAI) Uniform Nutrition Criteria” to “Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines.”

## Revision FB-NB:04– **Industry:** Non-Alcoholic Beverages; **Topic Name:** Environmental & Social Impacts of the Ingredient Supply Chains

### **Summary of Change – Split Topic**

The SASB split the provisional disclosure topic Environmental & Social Impacts of the Ingredient Supply Chains into two separate topics: Environmental & Social Impacts of Ingredient Supply Chain and Ingredient Sourcing.

The following metrics are associated with the Environmental & Social Impacts of Ingredient Supply Chain topic:

- FB-NB-430a.1 – Suppliers’ social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

The following metrics are associated with the Ingredient Sourcing topic:

- FB-NB-440a.1 – Percentage of beverage ingredients sourced from regions with High or Extremely High

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<sup>250</sup> CN0201-07: Number of child advertising impressions made, percentage promoting products meeting the Children’s Food and Beverage Initiative (CFBAI) Uniform Nutrition Criteria.

Baseline Water Stress

- FB-NB-440a.2 – List of priority beverage ingredients and discussion of sourcing risks due to environmental and social considerations

## Revision FB-AB:01 – **Industry:** Alcoholic Beverages; **Topic Name:** Responsible Drinking & Marketing

### 2017 Technical Agenda Item #8-21 Description

SASB is evaluating the revision of metric CN0202-04<sup>251</sup> to improve its representativeness.

#### Summary of Change – Revise Metric

The SASB revised provisional metric CN0202-04 from “Number of advertising impressions, percentage made on individuals above the legal drinking age” to “Percentage of total advertising impressions made on individuals above the legal drinking age.”

## Revision FB-AB:02 – **Industry:** Alcoholic Beverages; **Topic Name:** Responsible Drinking & Marketing

### 2017 Technical Agenda Item #8-22 Description

SASB is evaluating the technical protocol associated with metric CN0202-05<sup>252</sup> to improve its completeness and relevance.

#### Summary of Change – Revise Metric

SASB revised the provisional metric CN0202-05, “Notices of violations received for non-conformance with industry and regulatory marketing and/or labeling codes” to “Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes.”

## Revision FB-AB:03 – **Industry:** Alcoholic Beverages; **Topic Name:** Management of Environmental & Social Impacts of the Ingredient Supply Chain

#### Summary of Change – Split Topic

The SASB split the provisional disclosure topic Environmental & Social Impacts of Ingredient Supply Chains into two separate topics: Environmental & Social Impacts of Ingredient Supply Chain and Ingredient Sourcing.

The following metrics are associated with the Environmental & Social Impacts of Ingredient Supply Chain topic:

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<sup>251</sup> CN0202-04: Number of advertising impressions, percentage made on individuals above the legal drinking age

<sup>252</sup> CN0202-05: Notices of violations received for non-conformance with industry and regulatory marketing and/or labeling codes



- FB-AB.430a.1 – Suppliers’ social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

The following metrics are associated with the Ingredient Sourcing topic:

- FB-AB.440a.1 – Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress
- FB-AB.440a.2 – List of priority beverage ingredients and discussion of sourcing risks due to environmental and social considerations

## Revision FB-TB:01 – **Industry:** Tobacco; **Topic Name:** Activity Metric

### 2017 Technical Agenda Item #8-23 Description

SASB is evaluating the revision of activity metric CN0302-A<sup>253</sup> to improve its alignment with existing industry metrics.

#### Summary of Change – Revise Metric

The SASB revised provisional activity metric CN0302-A from “Cigarette sales volume” to “Combustible tobacco product sales volume: (1) cigarette, (2) cigar, and (3) other smoked tobacco products”<sup>254</sup> and provisional activity metric CN0302-B from “Smokeless tobacco sales volume” to “Non-combustible product sales volume: (1) traditional smokeless tobacco, (2) non-tobacco nicotine products, (3) heated tobacco products, and (4) nicotine replacement therapy products.”<sup>255</sup>

## Revision FB-TB:02 – **Industry:** Tobacco; **Topic Name:** Public Health

### 2017 Technical Agenda Item #8-25 Description

SASB is evaluating the revision of provisional metric CN0301-01<sup>256</sup> to improve its representativeness and applicability.

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<sup>253</sup> CN0302-A: Cigarette sales volume

<sup>254</sup> Note to **FB-TB-000.A**—Cigar sales volume includes product sales of cigars, cigarillos, and little cigars. Other smoked tobacco includes products sold by the registrant such as pipe tobacco, loose leaf tobacco, bidis, and kreteks or clove cigarettes. Unit of measure shall be by number of sticks in millions, except for pipe tobacco and loose leaf tobacco, which shall be by weight in metric tons.

<sup>255</sup> Note to **FB-TB-000.B**—Traditional smokeless tobacco sales volume includes product sales of chewing tobacco, snuff, and dissolvable products, and shall be disclosed by number of cans or packs in millions. Non-tobacco nicotine products include e-vapor and e-cigarette devices and associated refill products and pharmaceutical nicotine-replacement therapy products (e.g., gums, lozenges, and patches). Heated tobacco products include devices and associated refill products. Nicotine-replacement therapy products shall be disclosed in number of packs in millions and e-cigarette, e-vapor, and heated tobacco products shall be disclosed in number of devices sold and the number of refill products sold in millions.

<sup>256</sup> CN0301-01: Revenue from (1) smokeless tobacco products, (2) non-tobacco nicotine-delivery products, and (3) other “tobacco harm-reduction” products

## Summary of Change – Revise Metric

The SASB revised provisional metric CN0301-01 from “Revenue from (1) smokeless tobacco products, (2) non-tobacco nicotine-delivery products, and (3) other ‘tobacco harm-reduction’ products” to “Revenue from (1) non-tobacco nicotine products and (2) heated tobacco products, by (a) gross revenue and (b) revenue net of excise taxes,” with an additional clarification that sales should be reported gross and net of excise taxes.

## Revision FB-TB:03 – **Industry:** Tobacco; **Topic Name:** Marketing Practices

### 2017 Technical Agenda Item #8-24 Description

SASB is evaluating the revision of metrics CN0301-04<sup>257</sup> and CN0301-05<sup>258</sup> to improve the cost-effectiveness, representativeness, and applicability of the metrics associated with the topic.

## Summary of Change – Revise Metrics

The SASB consolidated the provisional metrics CN0301-04 and CN0301-05 in the provisional industry standard and revising the resulting metric to focus on companies’ positions on the World Health Organization Framework Convention on Tobacco Control (WHO FCTC) and relevant corporate marketing policies, as opposed to specific alignment with the WHO FCTC.

More specifically, the SASB consolidated the following provisional metrics:

CN0301-04: Description of alignment of tobacco advertising, promotion, and sponsorship (TAPS) activities with Article 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)

CN0301-05: Description of alignment of tobacco labeling and packaging practices with Article 11 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)

into the following metric:

FB-TB-270a.2: Description of the company’s marketing policy and discussion of relevant positions on Articles 11 and 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)

## Revision FB-FR:01 – **Industry:** Food Retailers & Distributors; **Topic Name:** Energy & Fleet Fuel Management

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<sup>257</sup> CN0301-04: Description of alignment of tobacco advertising, promotion, and sponsorship (TAPS) activities with Article 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)

<sup>258</sup> CN0301-05: Description of alignment of tobacco labeling and packaging practices with Article 11 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)

## Summary of Change – Split Topic

The SASB split the provisional disclosure topic Energy & Fleet Fuel Management into two separate topics: Greenhouse Gas Emissions and Energy Management.

The following metric is associated with the Greenhouse Gas Emissions topic:

CN0401-05 – Fleet fuel consumed, percentage renewable

The following metrics are associated with the Energy Management topic:

CN0401-04 – Operational energy consumed, percentage grid electricity, percentage renewable

## Revision FB-FR:02 – **Industry:** Food Retailers & Distributors; **Topic Name:** Food Waste Management

### Summary of Change – Revise Technical Protocol

SASB revised the provisional metric CN0401-06 “Amount of food waste generated, percentage diverted from the waste stream” to clarify the distinction between food waste and unsaleable food.

## Revision FB-FR:03 – **Industry:** Food Retailers & Distributors; **Topic Name:** Product Health & Nutrition

### Description of Change – Revise Metric

The SASB revised provisional metric CN0401-12 from “Description of the process to identify and manage products and ingredients of concern and emerging dietary preferences” to “Description of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers.”

## Revision FB-FR:04– **Industry:** Food Retailers & Distributors; **Topic Name:** Fair Labor Practices

### Summary of Change – Revise Topic Name

The SASB renamed the provisional topic from Fair Labor Practices to Labor Practices.

## Revision FB-FR:05– **Industry:** Food Retailers & Distributors; **Topic Name:** Management of Environmental & Social Impacts in the Supply Chain

### Summary of Change – Revise Technical Protocols

The SASB revised the technical protocols associated with metric provisional metric CN0401-20, “Discussion of strategy to manage environmental and social risks within the supply chain” to expand disclosure on animal welfare

and antibiotics usage in the animal supply chain. Accordingly, the note to the provisional metric CN0401-22, “(1) Percentage of eggs sold from cage-free sources and (2) percentage of pork sold from gestation-crate-free sources” on animal welfare standards and policies was removed.

## Revision FB-RN:01 – **Industry:** Restaurants; **Topic Name:** Energy & Water Management

### **Summary of Change – Split Topic**

The SASB split the provisional disclosure topic Energy & Water Management into two separate topics: Energy management and Water Management.

The following metric is associated with the Energy Management topic:

FB-RN.130a.1 – Total energy consumed, percentage grid electricity, percentage renewable<sup>259</sup>

The following metric is associated with the Water Management topic:

FB-RN.140a.1 – Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress<sup>260</sup>

## Revision FB-RN:02 – **Industry:** Restaurants; **Topic Name:** Food & Packaging Waste Management

### **Summary of Change – Revise Technical Protocol**

SASB revised the technical protocol for provisional metric SV0203-05 “Amount of waste, percentage food waste, percentage diverted” to define inedible parts as a component of food waste, remove cooking oil as a component of food waste, and clarify the scope of food donations.

## Revision FB-RN:03 – **Industry:** Restaurants; **Topic Name:** Fair Labor Practices

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic from Fair Labor Practices to Labor Practices.

## Revision FB-RN:04 – **Industry:** Restaurants; **Topic Name:**

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<sup>259</sup> The provisional version of this metric was SV0203-01 – Total energy consumed, percentage grid electricity, percentage renewable.

<sup>260</sup> The provisional version of this metric was SV0203-02 – Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress.

## Fair Labor Practices

### **Summary of Change – Remove Metric**

The SASB removed metric SV0203-14, “Amount of tax credit received for hiring through enterprise zone programs.”

## Revision FB-RN:05 – **Industry:** Restaurants; **Topic Name:** Supply Chain Management & Food Sourcing

### **Summary of Change – Revise Technical Protocols**

The SASB revised the technical protocols associated with metric SV0203-17, “Discussion of strategy to manage environmental and social risks within supply chain” to expand disclosure on animal welfare and antibiotics usage in the animal supply chain. Accordingly, the note to metric SV0203-16, “(1) Percentage of eggs purchased from cage-free sources and (2) percentage of pork purchased from gestation crate-free sources”, which is related to animal welfare standards and policies, was removed.



## Consumer Goods Sector

Apparel, Accessories & Footwear

Appliance Manufacturing

Household & Personal Products

Building Products & Furnishings

Toys & Sporting Goods

Multiline and Specialty Retailers & Distributors

E-Commerce

Prepared by the  
Sustainability Accounting Standards Board®

## Revision CG-MR:01 – **Industry:** Multiline and Specialty Retailers & Distributors; **Topic Name:** Fair Labor Practices

### **2017 Technical Agenda Item #9-5 Description**

SASB is evaluating the suitability of the topic name.

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic Fair Labor Practices to Labor Practices.

## Revision CG-MR:02 – **Industry:** Multiline and Specialty Retailers & Distributors; **Topic Name:** Workforce Diversity & Inclusion

### **2017 Technical Agenda Item #9-6 Description**

SASB is evaluating the revision of metric CN0403-04<sup>261</sup> to improve its cost-effectiveness and applicability.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric CN0403-04, “Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees,” to require gender breakdown globally but racial/ethnic breakdown only in the United States. Additionally, the SASB revised the technical protocol to specify that companies shall describe their policies for promoting inclusivity and fostering equitable employee representation across their global operations.

## Revision CG-EC:01 – **Industry:** E-Commerce; **Topic Name:** Energy & Water Footprint of Hardware Infrastructure

### **2017 Technical Agenda Item #9-8 Description**

SASB is evaluating the suitability of the topic name.

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic Energy & Water Footprint of Hardware Infrastructure to Hardware Infrastructure Energy & Water Management.

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<sup>261</sup> CN0403-04: Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees

## Revision CG-EC:02 – **Industry:** E-Commerce; **Topic Name:** Logistics & Packaging Efficiency

### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from Logistics & Packaging Efficiency to Product Packaging & Distribution.

## Revision CG-AA:01 – **Industry:** Apparel, Accessories & Footwear; **Topic Name:** Raw Material Sourcing & Innovation

### **2017 Technical Agenda Item #9-2 Description**

SASB is evaluating the suitability of the topic name.

### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from Raw Materials Sourcing & Innovation to Raw Materials Sourcing.

## Revision CG-AA:02 – **Industry:** Apparel, Accessories & Footwear; **Topic Name:** Raw Material Sourcing & Innovation

### **2017 Technical Agenda Item #9-1 Description**

The SASB is evaluating the revision of metric CN0501-03<sup>262</sup> to improve its cost-effectiveness and the alignment with existing industry frameworks.

### **Summary of Change – Revise Metric**

The SASB revised provisional metric CN0501-03 from “Top five raw materials used in products, by weight” to “Discussion of environmental and social risks associated with sourcing priority raw materials.”

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<sup>262</sup> CN0501-03: Top five raw materials used in products, by weight



## Revision CG-AA:03 – **Industry:** Apparel, Accessories & Footwear; **Topic Name:** Labor Conditions in the Supply Chain

### **2017 Technical Agenda Item #9-3 Description**

SASB is evaluating the revision of metric CN0501-06<sup>263</sup> to improve its completeness and representativeness.

### **Summary of Change – Revise Technical Protocol**

The SASB added a note to provisional metric CN0501-06, “Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits,” to provide context regarding a registrant’s supply chain auditing practices.

## Revision CG-AM:01 – **Industry:** Appliance Manufacturing; **Topic Name:** Product Safety

### **2017 Technical Agenda Item #9-4 Description**

SASB is evaluating the addition of a new metric to improve the completeness, representativeness, and decision-usefulness of the metrics associated with the topic.

### **Summary of Change – Add Metric**

The SASB added a new metric, “Discussion of process to identify and manage safety risks associated with the use of its products.”

## Revision CG-BF:01 – **Industry:** Building Products & Furnishings; **Topic Name:** Wood Sourcing

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic Wood Sourcing to Wood Supply Chain Management.

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<sup>263</sup> CN0501-06: Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits



## Renewable Resources & Alternative Energy Sector

Biofuels

Solar Technology & Project Developers

Wind Technology & Project Developers

Fuel Cells & Industrial Batteries

Forestry Management

Pulp & Paper Products

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## RR-BI:01 – **Industry:** Biofuels; **Topic Name:** Water Management in Manufacturing

### 2017 Technical Agenda Item #10-2 Description

SASB is evaluating revisions to the water quality metric RR0101-05<sup>264</sup> to improve its decision-usefulness.

#### Summary of Change – Revise Metric

The SASB revised the scope of the metric RR0101-05, “Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations,” to incidents that result in a formal enforcement action, as opposed to all types of incidents of non-compliance regardless of whether such incidents resulted in enforcement actions.

## RR-BI:02 – **Industry:** Biofuels; **Topic Name:** Product Formulation & Impacts on Food Markets

### 2017 Technical Agenda Item #10-1 Description

SASB is evaluating the removal of the topic, including the corresponding metrics RR0101-06<sup>265</sup> and RR0101-07<sup>266</sup> to improve the cost-effectiveness and relevance of the standard.

#### Summary of Change – Remove Topic and Metrics

The SASB removed the provisional topic Product Formulation & Impacts on Food Markets and the following corresponding metrics:

- RR0101-06: Top five feedstocks used for biofuels production, by weight.
- RR0101-07: Percentage of feedstock grown in food-insecure countries.

## RR-BI:03 – **Industry:** Biofuels; **Topic Name:** Management of the Legal & Regulatory Environment

### 2017 Technical Agenda Item #10-3 Description

SASB is evaluating revisions to the topic, including the corresponding metric RR0101-10<sup>267</sup>, to improve the cost-effectiveness and materiality of the standard.

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<sup>264</sup> RT0101-05: Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations

<sup>265</sup> RR0101-06: Top five feedstocks used for biofuels production, by weight

<sup>266</sup> RR0101-07: Percentage of feedstock grown in food-insecure countries

<sup>267</sup> RR0101-10: Discussion of positions on the regulatory and political environment related to environmental and social factors and description of efforts to manage risks and opportunities presented

### **Summary of Change – Revise Metric**

SASB revised metric RR0101-10, “Discussion of positions on the regulatory and political environment related to environmental and social factors and description of efforts to manage risks and opportunities presented,” by eliminating references to political influence to improve the cost-effectiveness and materiality of the standard.

RR-ST:01 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Activity Metrics

### **Summary of Change – Revise Metric**

The SASB removed the activity metric RR0102-A, “Total capacity of photovoltaic (PV) solar modules sold.”

RR-ST:02 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Hazardous Materials Management

### **Summary of Change – Revise Topic Name**

The SASB revised the name of the topic from Hazardous Materials Management to Hazardous Waste Management.

RR-ST:03 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Hazardous Waste Management

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol of provisional metric RT0101-09, “Amount of hazardous waste, percentage recycled,” to define hazardous waste and hazardous waste recycled per the regulations prevalent at the point of waste generation. The revised approach will revise the requirement to classify all hazardous waste, regardless of where it is generated, according to the protocols of the U.S. EPA’s Resource Conservation and Recovery Act (RCRA). Additionally, the SASB included a disclosure requirement to report the hazardous waste regulations that were used to classify the company’s waste.

RR-ST:04 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Community & Ecological Impacts of Project Development

### **Summary of Change – Revise Topic Name**

The SASB revised the name of the disclosure topic Community & Ecological Impacts of Project Development to Ecological Impacts of Project Development.

## RR-ST:05 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Community & Ecological Impacts of Project Development<sup>268</sup>

### **Summary of Change – Revise Metric**

The SASB replaced the existing metric, RR0102-07 “Project development asset impairments associated with community or ecological impacts” with the following metric: “Number and duration of project delays related to ecological impacts.”

## RR-ST:06 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Management of Energy Infrastructure Integration & Related Regulations

### **Summary of Change – Remove Metric**

The SASB removed the metric “Average price of solar energy (1) photovoltaic (PV) modules and (2) completed utility-scale systems.”

## RR-ST:07 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Management of Energy Infrastructure Integration & Related Regulations

### **2017 Technical Agenda Item #10-4 Description**

SASB is evaluating revisions to the topic, including the corresponding metric RR0102-09<sup>269</sup>, to improve the cost-effectiveness and materiality of the standard.

### **Summary of Change – Revise Metrics**

SASB revised RR0102-10, “Discussion of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure” to remove the requirement to disclose political and lobbying expenditures.

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<sup>268</sup> See Revision RR-ST:04 for the revised topic name.

<sup>269</sup> RR0102-09: Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks

## RR-ST:08 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Product Lifecycle Environmental Impacts

### **Summary of Change – Revise Topic Name**

The SASB renamed the topic from Product Lifecycle Environmental Impacts to Product End-of-life Management.

## RR-ST:09 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Product Lifecycle Environmental Impacts<sup>270</sup>

### **Summary of Change – Revise Metrics**

The SASB revised the metrics associated with the topic Product Lifecycle Environmental Impacts in accordance with the following:

- Replaced the metric RR0102-13 "Discussion of approach to manage use, reclamation, and disposal of hazardous materials" with "Description of approach and strategies to designing products for high-value recycling."
- Added the metric "Percentage of products containing IEC 62474 declarable substances, arsenic compounds, antimony compounds, and beryllium compounds."

## RR-ST:10 – **Industry:** Solar Technology & Project Developers; **Topic Name:** Materials Sourcing

### **2017 Technical Agenda Item #10-5 Description**

SASB is evaluating revisions to the topic, including the corresponding metrics RR0102-14 and RR0102-15<sup>271</sup>, to improve the cost-effectiveness and materiality of the standard.

### **Summary of Change – Revise Topic and Metrics**

The SASB revised the scope of the Materials Sourcing disclosure topic to improve its representation of potential financial impacts stemming from risks and opportunities related to resource scarcity and supply constraints. As a result of the topic revision, the SASB removed one provisional metric:

- RR0102-14 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are

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<sup>270</sup> See Revision RR-ST:04 for the revised topic name.

<sup>271</sup> RR0102-14: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free; and RR0102-15: Discussion of the management of risks associated with the use of conflict minerals

verified conflict-free

Additionally, the SASB removed the term “conflict minerals” from provisional metric RR0102-15, “Discussion of the management of risks associated with the use of critical materials and conflict minerals,” and further revised the technical protocol to recommend that companies disclose the primary critical materials used, risk(s) to their operations from the use of the critical materials, and strategies to mitigate those risk(s).

## RR-WT:01 – **Industry:** Wind Technology & Project Developers; **Topic Name:** Design to Mitigate Community & Ecological Impacts

### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from “Design to Mitigate Community & Ecological Impacts” to “Ecological Impacts of Project Development.”

## RR-WT:02 – **Industry:** Wind Technology & Project Developers; **Topic Name:** Materials Sourcing

### **2017 Technical Agenda Item #10-6 Description**

SASB is evaluating the revision and/or removal of metrics RR0103-09<sup>272</sup> and RR0103-10<sup>273</sup> to improve the cost-effectiveness and decision-usefulness of the metrics associated with the topic.

### **Summary of Change – Revise Topic and Metrics**

The SASB revised the scope of the Materials Sourcing disclosure topic to improve its representation of potential financial impacts stemming from risks and opportunities related to resource scarcity and supply constraints. As a result of the topic revision, the SASB removed two provisional metrics:

- RR0103-08 – Percentage of materials costs for items containing critical materials/Percentage of products by revenue that contain critical materials/etc.
- RR0103-09 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

Additionally, the SASB removed the term “conflict minerals” from provisional metric RR0103-10, “Discussion of the management of risks associated with the use of critical materials and conflict minerals,” and further revised the technical protocol to recommend that companies disclose the primary critical materials used, risk(s) to their operations from the use of the critical materials, and strategies to mitigate those risk(s).

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<sup>272</sup> RR0103-09: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

<sup>273</sup> RR0103-10: Discussion of the management of risks associated with the use of critical materials and conflict minerals

## RR-FC:01 – **Industry:** Fuel Cells & Industrial Batteries; **Topic Name:** Product Efficiency

### 2017 Technical Agenda Item #10-7 Description

SASB is evaluating splitting the topic to improve the quality and clarity of the standard.

### No Proposed Change

Based upon research and approval of the SASB Standards Board, no changes related to Technical Agenda item 10-7 are proposed to the provisional standard at this time.

## RR-FC:02 – **Industry:** Fuel Cells & Industrial Batteries; **Topic Name:** Materials Sourcing

### 2017 Technical Agenda Item #10-8 Description

SASB is evaluating the revision and/or removal of metrics RR0104-13<sup>274</sup> and RR0104-14<sup>275</sup> to improve the cost-effectiveness and decision-usefulness of the metrics associated with the topic.

### Summary of Change – Revise Topic and Metrics

The SASB revised the scope of the Materials Sourcing disclosure topic to improve its representation of potential financial impacts stemming from risks and opportunities related to resource scarcity and supply constraints. As a result of the topic revision, the SASB removed two provisional metrics:

- RR0104-12 – Percentage of materials costs for items containing critical materials/Percentage of products by revenue that contain critical materials/etc.
- RR0104-13 – Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

Additionally, the SASB removed the term “conflict minerals” from provisional metric RR0104-14, “Discussion of the management of risks associated with the use of critical materials and conflict minerals,” and further revised the technical protocol to recommend that companies disclose the primary critical materials used, risk(s) to their operations from the use of the critical materials, and strategies to mitigate those risk(s).

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<sup>274</sup> RR0104-13: Percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified conflict-free

<sup>275</sup> RR0104-14: Discussion of the management of risks associated with the use of critical materials and conflict minerals



## RR-FM:01 – **Industry:** Forestry Management; **Topic Name:** Ecosystem Services & Impacts

### 2017 Technical Agenda Item #10-9 Description

SASB is evaluating the revision of the technical protocol associated with metric RR0201-02<sup>276</sup> to improve the relevance of the metric.

#### Summary of Change – Revise Technical Protocol

The SASB revised the technical protocol of provisional quantitative metric RR0201-02, “Area of forestland with protected conservation status,” and provisional quantitative metric RR0201-03, “Area of forestland in endangered species habitat” to clarify aspects of the technical protocol and to improve their relevance.

Specifically, the technical protocol associated with provisional metric RR0201-02 was revised to update references for areas of protected conservation status as well as to include public lands managed by the registrant within the scope of disclosure. The technical protocol associated with provisional metric RR0201-03 was revised to clarify the scope of disclosure with respect to the types of threatened or endangered species that should be included.

## RR-FM:02 – **Industry:** Forestry Management; **Topic Name:** Ecosystem Services & Impacts

#### Summary of Change – Revise Technical Protocol

The SASB removed the following line from the technical protocol: “The company may choose to provide discussion around forestlands that are located in protected areas but present low risk to biodiversity or ecosystem services. The company may choose to provide similar discussion for forestlands located in areas with no official designation of high biodiversity value but that present high biodiversity or ecosystem services risks.”

## RR-PP:01 – **Industry:** Pulp & Paper Products; **Topic Name:** Air Quality

### 2017 Technical Agenda Item #10-10 Description

SASB is evaluating the revision of metric RR0202-03<sup>277</sup> to improve its cost-effectiveness and alignment with existing regulations.

#### Summary of Change – Revise Metric

SASB revised metric RR0202-03 from “Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, volatile organic compounds (VOCs), particulate matter (PM), and hazardous air pollutants (HAPS)” to “Air emissions for the

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<sup>276</sup> RR0201-02: Area of forestland with protected conservation status; RR0201-02: Area of forestland in endangered species habitat

<sup>277</sup> RR0202-03: Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, volatile organic compounds (VOCs), particulate matter (PM), and hazardous air pollutants (HAPS)

following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>2</sub>, volatile organic compounds (VOCs), total filterable particulate matter emissions, and hazardous air pollutants (HAPS).” The technical protocol has been updated to reflect these changes and provide guidance regarding associated definitions, scope, compilation, and presentation of the revised metric.

## RR-PP:02 – **Industry:** Pulp & Paper Products; **Topic Name:** Energy Management

### **2017 Technical Agenda Item #10-11 Description**

SASB is evaluating revisions to metric RR0202-04<sup>278</sup> to improve the decision-usefulness and completeness of the metrics associated with the topic.

### **Summary of Change – Revise Metric**

The SASB revised metric RR0202-04 “Total energy consumed, (1) percentage grid electricity, (2) percentage from biomass, and (3) percentage from other renewables” to include a reporting category within the existing metric that asks companies to report the share of self-generated energy, and a secondary technical protocol line that allows companies to report the amount of energy sold to a customer or electric utility.

## RR-PP:03 – **Industry:** Pulp & Paper Products; **Topic Name:** Greenhouse Gas Emissions

### **Summary of Change – Revise Technical Protocol:**

The SASB revised the technical protocol to clarify aspects of the World Resources Institute (WRI) Greenhouse Gas (GHG) guidance related to the calculation and reporting of mobile and biogenic emissions.

## RR-PP:04 – **Industry:** Pulp & Paper Products; **Topic Name:** Fiber Sourcing & Recovery

### **Summary of Change – Revise Topic Name**

The SASB changed the provisional topic name from “Fiber Sourcing & Recovery” to “Supply Chain Management.”

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<sup>278</sup> RR0202-04: Total energy consumed, (1) percentage grid electricity, (2) percentage from biomass, and (3) percentage from other renewables



## Infrastructure Sector

Electric Utilities & Power Generators

Gas Utilities & Distributors

Water Utilities & Services

Waste Management

Engineering & Construction Services

Home Builders

Real Estate

Real Estate Services

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## Revision IF-EU:01 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** Greenhouse Gas Emissions & Energy Resource Planning

### **2017 Technical Agenda Item #11-1 Description**

SASB is evaluating the addition of new metrics, to improve the completeness and decision-usefulness of the metrics associated with the topic, as well as the alignment with existing reporting frameworks and industry metrics.

### **Summary of Change – Add Metric**

The SASB added a new metric, “Greenhouse gas emissions (GHG) associated with power deliveries.” As a result, an activity metric was also added to improve the usefulness of the new metric, “Total wholesale electricity purchased.”

## Revision IF-EU:02 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** Water Management

### **2017 Technical Agenda Item #11-2 Description**

SASB is evaluating a revision to the water quality metric IF0101-06<sup>279</sup> to improve its decision-usefulness.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric IF0101-06, “Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision IF-EU:03 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** Community Impacts of Project Siting

### **2017 Technical Agenda Item #11-3 Description**

SASB is evaluating the removal of the topic, including the corresponding metrics IF0101-10<sup>280</sup> and IF0101-11<sup>281</sup>, to improve the cost-effectiveness and materiality of the standard.

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<sup>279</sup> IF0101-06: Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations

<sup>280</sup> IF0101-10: Number of projects requiring environmental or social modification, percentage of modifications resulting from formal public interventions or protests

<sup>281</sup> IF0101-11: Discussion of community engagement processes to identify and mitigate concerns regarding project environmental and community impacts

## Summary of Change – Remove Topic and Metrics

The SASB removed the provisional topic, Community Impacts of Project Siting, from the standard, along with the corresponding provisional metrics:

IF0101-10: Number of projects requiring environmental or social modification, percentage of modifications resulting from formal public interventions or protests

IF0101-11: Discussion of community engagement processes to identify and mitigate concerns regarding project environmental and community impacts

## Revision IF-EU:04 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** Energy Affordability

### 2017 Technical Agenda Item #11-4 Description

SASB is evaluating the addition of a new topic, including new metrics, based on the potential for performance on this topic to affect corporate value, and to improve the materiality and decision-usefulness of the standard.

### Summary of Change – Add Topic and Metrics:

The SASB added the disclosure topic Energy Affordability, including the following corresponding metrics:

Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers

Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month

Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days

Discussion of impact of external factors that impact the affordability of electricity, including the economic conditions of the service territory

Furthermore, the SASB revised one provisional activity metric and added a new activity metric:

Revised activity metric, IF0101-A, “Number of: (1) residential and (2) commercial customers served,” to incorporate a third customer category, industrial customers”

Added new activity metric, “Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers”

## Revision IF-EU:05 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** End-Use Efficiency & Demand

## 2017 Technical Agenda Item #11-5 Description

SASB is evaluating the addition of new metrics to improve the decision-usefulness and completeness of the metrics associated with the topic.

### Summary of Change – Add Metric

The SASB added a new metric to the topic, End-Use Efficiency & Demand, “Percentage of electric utility revenues from rate structures that (1) are decoupled, and (2) contain a lost revenue adjustment mechanism (LRAM).”

## Revision IF-EU:06 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** Management of the Legal & Regulatory Environment

## 2017 Technical Agenda Item #11-6 Description

SASB is evaluating revisions to the topic, including suitability of the corresponding metrics IF0101-19<sup>282</sup>, IF0101-20<sup>283</sup>, IF0101-21<sup>284</sup>, to improve the cost-effectiveness and materiality of the standard.

### Summary of Change – Remove Topic and Metrics

The SASB removed the provisional topic, Management of the Legal & Regulatory Environment, from the standard, along with the corresponding provisional metrics:

- IF0101-19: Discussion of policies and processes to identify and manage potential ethical violations resulting from interactions with utility commissions
- IF0101-20: Amount of legal and regulatory fines and settlements associated with allegations of violations resulting from interactions with utility commissions
- IF0101-21: Discussion of positions on the regulatory and political environment related to environmental and social factors and description of efforts to manage risks and opportunities presented

As a result of the above, the SASB also revised the provisional topic, Greenhouse Gas Emissions & Energy Resource Planning, to incorporate the element of engagement with regulators in the context of GHG emissions and energy resource planning. This resulted in a revision to provisional metric 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,” to incorporate the element of compliance with emissions regulations, as well as strategies to attain such regulatory compliance, into the technical protocol.

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<sup>282</sup> IF0101-19: Discussion of policies and processes to identify and manage potential ethical violations resulting from interactions with utility commissions

<sup>283</sup> IF0101-20: Amount of legal and regulatory fines and settlements associated with allegations of violations resulting from interactions with utility commissions

<sup>284</sup> IF0101-21: Discussion of positions on the regulatory and political environment related to environmental and social factors and description of efforts to manage risks and opportunities presented

## Revision IF-EU:07 – **Industry:** Electric Utilities & Power Generators; **Topic Name:** Grid Resiliency

### **Summary of Change – Revise Metric**

The SASB revised provisional metric IF0101-17, “Number of incidents of non-compliance with North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection [CIP] standards” to focus on compliance with cybersecurity regulations more broadly, as opposed to the NERC CIP standards exclusively. However, the NERC CIP standards have been explicitly incorporated in the technical protocol to clarify that, when they are applicable regulations to the entity, they are explicitly within the scope of the metric. Furthermore, the NERC CIP standards serve as guiding principles designed to establish the types of other cybersecurity regulations included within the scope of the metric. The revised metric is: “Number of incidents of non-compliance with physical and/or cyber security standards or regulations.”

## Revision IF-GU:01 – **Industry:** Gas Utilities & Distributors; **Topic Name:** Energy Affordability

### **2017 Technical Agenda Item #11-8 Description**

SASB is evaluating the addition of a new topic, including new metrics, based on the potential for performance on this topic to affect corporate value, and to improve the materiality and decision-usefulness of the standard.

### **Summary of Change – Add Topic and Metrics:**

The SASB added the disclosure topic, Energy Affordability, including the following, corresponding metrics:

Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only

Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year

Number of residential customer gas disconnections for non-payment, percentage re-connected within 30 days

Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory

Furthermore, the SASB revised two activity metrics:

Revised provisional activity metric, IF0102-A, from “Number of: (1) residential and (2) commercial customers served” to “Number of: (1) residential, (2) commercial, and (3) industrial customers served”

Revised provisional activity metric, IF0102-B, from “Amount of natural gas delivered, percentage delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third-party” to “Amount of natural gas delivered to: (1) residential, (2) commercial, (3) industrial customers, and (4) transferred to a third-party”

## Revision IF-GU:02 – **Industry:** Gas Utilities & Distributors; **Topic Name:** End-Use Efficiency

### 2017 Technical Agenda Item #11-9 Description

SASB is evaluating the addition of new metrics to improve the decision-usefulness and completeness of the metrics associated with the topic.

#### Summary of Change – Add Metric:

The SASB added a new metric to the topic End-Use Efficiency: “Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM).”

## Revision IF-GU:03 – **Industry:** Gas Utilities & Distributors; **Topic Name:** Operational Safety, Emergency Preparedness and Response

### 2017 Technical Agenda Item #11-7 Description

SASB is evaluating the addition of a new topic, including new metrics, based on the potential for performance on this topic to affect corporate value, and to improve the materiality and decision-usefulness of the standard.

#### Summary of Change – Revise Topic

The SASB revised the provisional disclosure topic, Operational Safety, Emergency Preparedness, and Response, to add the aspect of GHG emissions stemming from gas distribution infrastructure (and the resulting financial risks and opportunities), while continuing to focus on the management of safety risks stemming from gas distribution infrastructure. Furthermore, the topic was clarified to reflect that emergency preparedness is a strategy to manage the risks of such infrastructure, though not necessarily integral to the sustainability disclosure topic itself. The overall revision results in renaming the topic to Integrity of Gas Delivery Infrastructure, as well as making the following corresponding changes to the provisional metrics associated with the topic:

Removed provisional metric IF0102-03: “Average response time for gas emergencies”

Added new metric: “Percentage of gas (1) transmission and (2) distribution pipelines inspected”

Revised provisional metric IF0102-05 from “Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout project lifecycles” to “Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions”



Furthermore, the SASB revised provisional activity metric, IF0102-C, from “Length of distribution pipelines” to “Length of (1) transmission and (2) distribution pipelines.”

## Revision IF-WU:01 – **Industry:** Water Utilities & Services; **Topic Name:** Distribution Network Resiliency

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric IF0103-12, “Water pipe replacement rate,” to include pipe rehabilitations and renewals within the scope of “pipe replacements,” as well as to explicitly exclude pipe repairs. Additionally, the wording of the metric has been clarified to include the term “water main” as opposed to “water pipe.” The resulting metric is, “Water main replacement rate.”

## Revision IF-WU:02 – **Industry:** Water Utilities & Services; **Topic Name:** Effluent Quality Management

### **2017 Technical Agenda Item #11-10 Description**

SASB is evaluating revisions to metric IF0103-02<sup>285</sup> to improve its decision-usefulness.

### **Summary of Change – Revise Technical Protocol**

The SASB revised the technical protocol for provisional metric IF0103-02, “Number of incidents of non-compliance with water effluent quality permits, standards, and regulations,” to limit the scope of incidents of non-compliance exclusively to those that result in a formal enforcement action.

## Revision IF-WU:03 – **Industry:** Water Utilities & Services; **Topic Name:** Fair Pricing & Access

### **2017 Technical Agenda Item #11-11 Description**

SASB is evaluating the suitability of the topic name.

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic from “Fair Pricing & Access” to “Water Affordability & Access.”

## Revision IF-WU:04 – **Industry:** Water Utilities & Services; **Topic Name:** Fair Pricing & Access

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<sup>285</sup> IF0103-02: Number of incidents of non-compliance with water effluent quality permits, standards, and regulations

## 2017 Technical Agenda Item #11-12 Description

SASB is evaluating revisions to the topic, including the corresponding metrics IF0103-09<sup>286</sup> and IF0103-10<sup>287</sup>, to improve the materiality and decision-usefulness of the standard.

### Summary of Change – Revise Metrics

The SASB removed the following provisional metrics:

IF0103-09: Number of formal customer complaints regarding pricing of and/or access to water received, percentage withdrawn

IF0103-10: Discussion of how considerations of fair pricing and access are integrated into determinations of rate structures

And replaced them with the following performance metrics:

Average retail water rate for: (1) residential, (2) commercial, and (3) industrial customers

Typical monthly water bill for residential customers for 10 Ccf of water delivered per month

Number of residential customer water disconnections for non-payment, percentage re-connected within 30 days

Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory

Furthermore, the SASB revised two activity metrics, and added a new activity metric:

Revised activity metric, IF0103-A, “Number of (1) residential and (2) commercial customers served,” to incorporate a third customer category, industrial customers.

Revised activity metric, IF0103-B, “Volume of water delivered and percentage purchased from a third party” to “Total water delivered to (1) residential, (2) commercial, (3) industrial, and (4) all other customers”

Added new activity metric, “Total water sourced, percentage by source type”

## Revision IF-WU:05 – **Industry:** Water Utilities & Services; **Topic Name:** Drinking Water Quality

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<sup>286</sup> IF0103-09: Number of formal customer complaints regarding pricing of and/or access to water received, percentage withdrawn

<sup>287</sup> IF0103-10: Discussion of how considerations of fair pricing and access are integrated into determinations of rate structures

### **Summary of Change – Revise Metric**

The SASB revised the provisional metric IF0103-07, “Number of (1) acute health-based, (2) non-acute health-based, and (3) non-health-based drinking water violations,” to include non-compliance with locally applicable drinking water regulations.

## **Revision IF-WU:06 – Industry: Water Utilities & Services; Topic Name: Drinking Water Quality**

### **Summary of Change – Revise Metric**

The SASB revised the provisional metric IF0103-08, “Discussion of strategies to manage drinking water contaminants of emerging concern” to address the following:

- Limit the applicability of the technical protocol that requires speculative disclosure on “risks and/or opportunities associated with the potential for emerging contaminants to [be regulated],” in order to only apply to contaminants that have received a preliminary or positive regulatory determination or a health advisory notice.
- The technical protocol has been expanded to specify that locally applicable drinking water regulations, or proposed regulations, on contaminants of emerging concern are included within the scope of the metric.

## **Revision IF-WU:07 – Industry: Water Utilities & Services; Topic Name: End-Use Efficiency**

### **2017 Technical Agenda Item #11-13 Description**

SASB is evaluating the addition of new metrics to improve the decision-usefulness and completeness of the metrics associated with the topic.

### **Summary of Change – Add Metric**

The SASB added a new metric to the topic, End-Use Efficiency: “Percentage of water utility revenues from rate structures that are designed to promote conservation and revenue resilience.”

## **Revision IF-WU:08 – Industry: Water Utilities & Services; Topic Name: Water Scarcity**

### **Summary of Change – Revise Topic and Metrics**

The SASB revised the disclosure topic, Water Scarcity, to more broadly address water supply resilience as opposed to water scarcity exclusively. As a result, the topic name was revised to Water Supply Resilience.

Furthermore, the technical protocol associated with provisional metric IF0103-06, “Discussion of strategies to manage risks associated with the quality and availability of water resources,” was revised to more comprehensively

incorporate water supply risks beyond water scarcity, as well as to explicitly require disclosure of the most significant risks to water supply.

## Revision IF-WU:09 – **Industry:** Water Utilities & Services; **Topic Name:** Network Resilience & Impacts of Climate Change

### **Summary of Change – Revise Metric**

The SASB revised provisional metric IF0103-15, “Volume of sanitary sewer overflows (SSO), percentage recovered” to “(1) Number and (2) volume of sanitary sewer overflows (SSO), (3) percentage of volume recovered.”

## Revision IF-WU:10 – **Industry:** Water Utilities & Services; **Topic Name:** Network Resilience & Impacts of Climate Change

### **Summary of Change – Revise Metric**

The SASB revised provisional metric IF0103-16, “(1) Number of service disruptions, (2) population affected, and (3) average duration” to:

- Remove the “average duration” component of the metric but specify that disruptions are to be disclosed by length of duration category: under 4 hours, between 4 and 12 hours, or 12 hours or more;
- Revise the metric component on “population affected” to “customers affected;” and
- Clarify the metric wording to communicate that only unplanned service disruptions are within the scope of the metric.

The resulting metric is: “(1) Number of unplanned service disruptions, and (2) customers affected, each by duration category.”

## Revision IF-WU:11 – **Industry:** Water Utilities & Services; **Topic Name:** (Multiple Topics)

### **Summary of Change – Revise Activity Metrics**

The SASB revised or clarified multiple components of the industry standard to specify the type of industry activity or activities that are applicable to each these components. As a result, multiple disclosure topics, accounting metrics, and activity metrics were revised or clarified by specifying whether water services, wastewater services, and/or stormwater services apply to the topic and/or metric scope. The actions executed are as follows:

1. Revised exposure draft activity metric TA11-12-A, “Number of (1) residential, (2) commercial, and (3) industrial customers served,” to breakout disclosure of each customer type by water service customers

versus wastewater service customers; furthermore, allow for additional customer types to be disclosed, as determined and defined by the entity.

2. Revised provisional activity metric IF0103-C, "Average volume of wastewater treated per day," to separate disclosure by sanitary sewer, stormwater, and combined sewer, as follows: "Average volume of wastewater treated per day, by (1) sanitary sewer, (2) stormwater, and (3) combined sewer."
3. Revised provisional activity metric IF0103-D, "Length of transportation and distribution lines," to separate disclosure by pipe or line type, as follows: "Length of (1) water mains and (2) sewer pipe."
4. Clarified topic, Distribution Network Efficiency, to specify that the topic is exclusively focused on water services.
5. Clarified topic, Network Resiliency & Impacts of Climate Change, to specify that the topic applies to both water services and wastewater services.
6. Clarified the following metrics to specify that the metrics apply to all industry activities, though disclosure may be broken out by the type of activity:
  - a. Provisional metric IF0103-01, "Total energy consumed, percentage grid electricity, percentage renewable"
  - b. Provisional metric IF0103-17, "Discussion of efforts to identify and manage risks and opportunities related to the impact of climate change on the distribution network"
7. Clarified technical protocols of the following metrics to specify that the metrics exclusively apply to water services:
  - a. Exposure draft metric TA11-12-01, "Average retail water rate for: (1) residential, (2) commercial, and (3) industrial customers"
  - b. Exposure draft metric TA11-12-02, "Typical monthly water bill for residential customers"
  - c. Exposure draft metric TA11-12-03, "Number of residential customer water disconnections for non-payment, percentage reconnected within 30 days"
  - d. Exposure draft metric TA11-13-01, "Percentage of water utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM)"<sup>288</sup>
  - e. Provisional metric IF0103-11, "Customer water savings from efficiency measures by market"
  - f. Provisional metric IF0103-12, "Water pipe replacement rate"

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<sup>288</sup> See Revision 11-13 for a revision related to this metric.

- g. Provisional metric IF0103-13, “Volume of non-revenue real water losses”
- h. Provisional metric IF0103-16, “(1) Number of service disruptions, (2) population affected, and (3) average duration”

## Revision IF-WM:01 – **Industry:** Waste Management; **Topic Name:** Greenhouse Gas Emissions

### **Summary of Change – Revise Metric**

The SASB revised provisional metric IF0201-03 from, “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,” to add “lifecycle emissions” to the scope of the metric, as per the following: “Discussion of long-term and short-term strategy or plan to manage Scope 1 and lifecycle emissions, emission reduction targets, and an analysis of performance against those targets.”

## Revision IF-WM:02 – **Industry:** Waste Management; **Topic Name:** Fleet Fuel Management

### **Summary of Change – Revise Metric**

The SASB revised provisional metric TR0402-03 from “Total fuel consumed, percentage renewable” to “(1) Fleet fuel consumed, (2) percentage natural gas, (3) percentage renewable.”

## Revision IF-WM:03 – **Industry:** Waste Management; **Topic Name:** Management of Leachate & Hazardous Waste

### **2017 Technical Agenda Item #11-14 Description**

SASB is evaluating revisions to metric IF0201-11<sup>289</sup> to improve its decision-usefulness.

### **Summary of Change – Revise Metric**

The SASB revised provisional metric IF0201-11, “Number of incidents of non-compliance associated with environmental impacts,” to limit the scope of incidents of non-compliance to exclusively those that result in a formal enforcement action.

## Revision IF-WM:04 – **Industry:** Waste Management; **Topic Name:** Labor Relations

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<sup>289</sup> IF0201-11: Number of incidents of non-compliance associated with environmental impacts

### **Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from "Labor Relations" to "Labor Practices."

## Revision IF-WM:05 – **Industry:** Waste Management; **Topic Name:** Recycling & Resource Recovery

### **Summary of Change – Revise Metric**

The SASB revised provisional metric IF0201-18 "Percentage of customers receiving (1) recycling and (2) composting services, by customer type," and IF0201-19 "Amount of material (1) recycled and (2) composted," to exclude waste-to-energy from the scope of recycling. Additionally, provisional metric IF0201-19 was also revised to add waste-to-energy as a third category for disclosure.

## Revision IF-EN:01 – **Industry:** Engineering & Construction Services; **Topic Name:** Business Ethics & Bidding Integrity

### **2017 Technical Agenda Item #11-15 Description**

The SASB is evaluating the suitability of the topic name.

### **Summary of Change – Revise Topic Name**

The SASB renamed the provisional topic, changing it from "Business Ethics & Bidding Integrity" to "Business Ethics."