



# Sustainability Accounting Standards Board

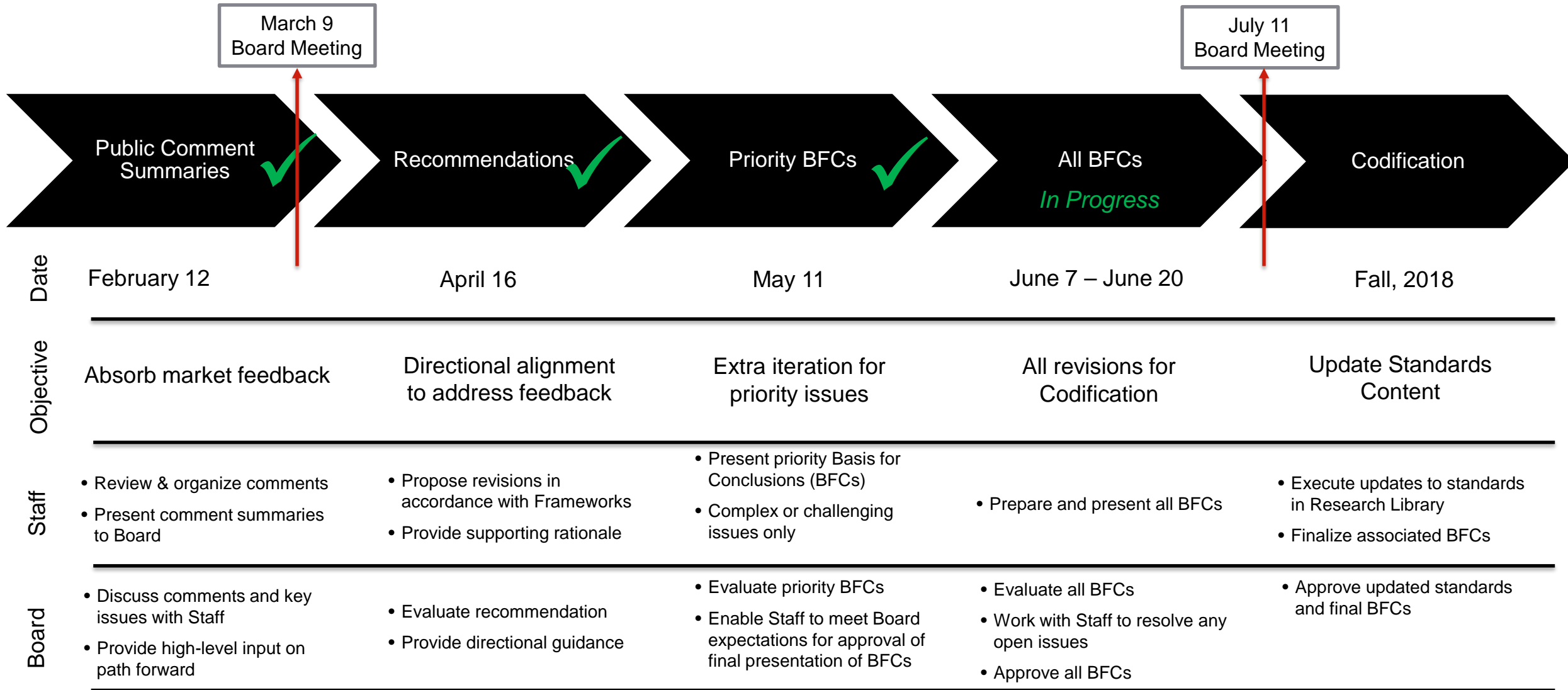
Public Standards Board Meeting

**Jeffrey Hales, PhD**

Chair of the SASB Standards Board

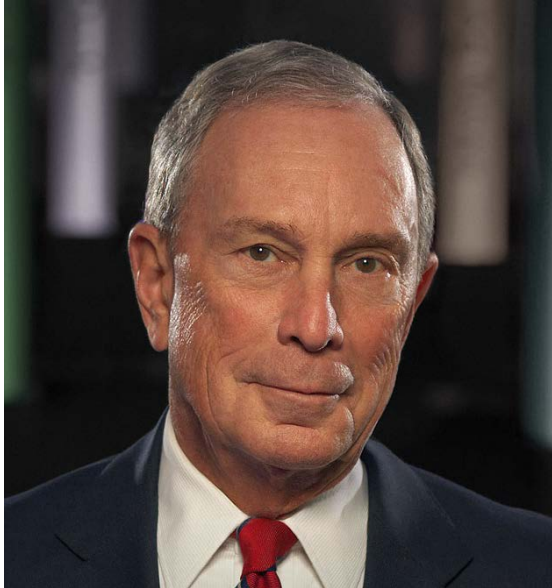
*July 11, 2018*

# Codification Process & Timeline



# Major Changes in SASB Leadership

Chairs of both the Foundation and Standards Board Step Down



**Michael R. Bloomberg**  
**CHAIRMAN EMERITUS**

Philanthropist, Founder of Bloomberg LP,  
and three-term Mayor of New York City



**Jean Rogers**  
**FOUNDER**

Former CEO and Chair of the SASB  
Standards Board

# New Foundation Board Leadership

New Chair (former Co-Vice Chair)



**Robert K. Steel – Chair**  
Partner & CEO  
Perella Weinberg Partners



**Mary Schapiro – Vice Chair**  
Promontory Advisory Board Vice Chair  
Former Chairman – SEC

# SASB's Foundation Board

Independent board responsible for all aspects of standards setting

## **Robert K. Steel – Chair**

Partner & CEO  
Perella Weinberg Partners

## **Mary Schapiro – Vice Chair**

Promontory Advisory Board Vice Chair  
Former Chairman – SEC

## **Alan Beller**

Senior Counsel  
Cleary Gottlieb Steen & Hamilton

## **Robert H. Herz**

Former Chairman – FASB

## **Laura Tyson, PhD**

Director, Institute for Business and  
Social Impact  
Berkeley Haas School of Business

## **Rudi Bless**

Chief Accounting Officer  
Bank of America

## **Shawn Lytle**

President, Delaware Investments/ Macquarie, Inc.

## **Elisse Walter, JD**

Former Chairman – SEC

## **Audrey Choi**

CEO – Institute for Sustainable  
Investing, Morgan Stanley

## **Jim McIntire**

Former Treasurer, State of Washington

## **Matthew Welch**

President  
SASB (Ex-officio)

## **Jack Ehnes**

CEO – CalSTRS

## **Clara Miller**

President – The F.B. Heron Foundation

## **Jay Willoughby**

CIO, TIFF

## **Steven O. Gunders, CPA**

Partner  
Deloitte & Touche LLP (Retired)

## **Kevin Parker**

CEO – SICM

## **Curtis Ravenel**

Global Head, Sustainable Business and Finance  
Bloomberg LP

## **Chuck Zegar**

Philanthropist, Co-Founder  
of Bloomberg LP



# New Standards Board Leadership

New Chair and two Vice Chairs



**Jeffrey Hales, PhD**

The SASB Chair

Professor, Georgia Institute of  
Technology – Ernest Scheller  
Jr. College of Business

*Sector Chair for Financials &  
Renewable Resources &  
Alternative Energy*

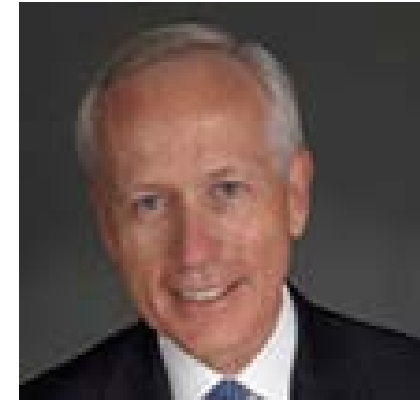


**Verity Chegar**

Co-Vice Chair

Vice President, BlackRock  
Sustainable Investing

*Sector Chair for Extractives &  
Minerals Processing*



**Robert Hirth, Jr.**

Co-Vice Chair

Senior Managing Director, Protiviti  
Chairman Emeritus, Committee of  
Sponsoring Organizations of the  
Treadway Commission (COSO)

*Sector Chair for Technology &  
Communications*

# SASB's Standards Board

Independent board responsible for all aspects of standards setting

## **Verity Chegar**

SASB Co-Vice Chair

Vice President, BlackRock  
Sustainable Investing

*Sector Chair for Extractives &  
Minerals Processing*

## **Kurt Kuehn**

Former CFO, UPS

*Sector Chair for Transportation  
and for Infrastructure*

## **Lloyd Kurtz, CFA**

Senior Portfolio Manager, Head of  
Social Impact Investing, Wells  
Fargo Private Bank

*Sector Chair for Health Care and  
for Resource Transformation*

## **Jeffrey Hales, PhD**

The SASB Chair

Professor, Georgia Institute of  
Technology – Ernest Scheller Jr.  
College of Business

*Sector Chair for Financials and  
for Renewable Resources &  
Alternative Energy*

## **Daniel L. Goelzer, JD**

Senior Counsel, Baker &  
McKenzie LLP, Inc.

*Sector Chair for Services*

## **Elizabeth Seeger**

Head of Sustainable Investing, KKR

*Sector Chair for Consumer Goods*

## **Robert Hirth, Jr.**

SASB Co-Vice Chair

Senior Managing Director, Protiviti  
Chairman Emeritus, Committee of  
Sponsoring Organizations of the  
Treadway Commission (COSO)

*Sector Chair for Technology &  
Communications*

## **Stephanie Tang, JD**

Director of Legal, Corporate Securities,  
Stitch Fix

*Sector Chair for Food & Beverage*



# Research Team

Dedicated sector analysts follow industry issues, test materiality, and conduct deep consultation



**David S. Post, CFA**  
Director of Research



**Sonal Dalal**  
Technical Director



**Bryan Esterly, CFA**  
Deputy Director of Research



**David Parham**  
Deputy Director of Research

**Eric Kane**



## Health Care

Biotechnology & Pharmaceuticals; Medical Equipment & Supplies; Health Care Delivery; Health Care Distributors; Managed Care; Drug Retailers

**Henrik Cotran**



## Resource Transformation

Chemicals; Aerospace & Defense; Electrical & Electronic Equipment; Industrial Machinery & Goods; Containers & Packaging

**Anton Gorodniuk, CFA**



## Financials

Commercial Banks; Investment Banking & Brokerage; Asset Management & Custody Activities; Consumer Finance; Mortgage Finance; Security & Commodity Exchanges; Insurance

**Lynn Xia**



## Food & Beverage

Agricultural Products; Meat, Poultry, & Dairy; Processed Foods; Non-Alcoholic Beverages; Alcoholic Beverages Tobacco; Food Retailers & Distributors; Restaurants

**Bryan Esterly, CFA**



## Technology & Communication

Electronic Manufacturing Services & Original; Design Manufacturing; Software & IT Services; Hardware; Semiconductors; Telecommunication Services; Internet Media & Services

**Lynn Xia**



## Consumer Goods

Apparel, Accessories & Footwear; Appliance Manufacturing; Household & Personal Products; Building Products & Furnishings; Toys & Sporting Goods; Multiline and Specialty Retailers & Distributors; E-commerce

**David Parham**



## Extractives & Minerals Processing

Oil & Gas - Exploration & Production; Oil & Gas - Midstream; Oil & Gas - Refining & Marketing; Oil & Gas - Services; Coal Operations; Iron & Steel Producers; Metals & Mining; Construction Materials

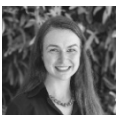
**Henrik Cotran**



## Renewable Resources & Alternative Energy

Biofuels; Solar Technology & Project Developers; Wind Technology & Project Developers; Fuel Cells & Industrial Batteries; Forestry Management; Pulp & Paper Products

**Sonya Hetrick**



## Transportation

Automobiles; Auto Parts; Car Rental & Leasing; Airlines; Air Freight & Logistics; Marine Transportation; Cruise Lines; Rail Transportation; Road Transportation

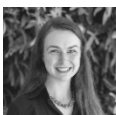
**Bryan Esterly, CFA**



## Infrastructure

Electric Utilities & Power Generators; Gas Utilities & Distributors; Water Utilities & Services; Waste Management Engineering & Construction Services; Home Builders; Real Estate; Real Estate Services

**Sonya Hetrick**



## Services

Education; Professional & Commercial Services; Hotels & Lodging; Casinos & Gaming; Leisure Facilities; Advertising & Marketing; Media & Entertainment

**Taylor Reed**



## Research Analyst

Supporting Extractives, Infrastructure and Consumer Goods



# Recent Key Speaking Engagements

- **Fair Fashion Coalition Workshop** (May 1, David Post, Lynn Xia, [Janine Guillot, SASB Staff](#))
- **Sustainable Investment Leadership Conference** (May 2, [Janine Guillot, SASB Staff](#))
- **BSR Future of Reporting Program** (May 10, [Katie Schmitz Eulitt, SASB Staff](#))
- **Andersen Center for Sustainable Business Corporate Workshop** (May 10, [Jeff Hales, SASB Board](#))
- **Pensions & Investments ESG Breakfast Briefing Series** (May 15, [Nicolai Lundy, SASB Staff](#))
- **Environmental Leader Conference** (May 15, [David Parham, SASB Staff](#))
- **Pensions & Investments ESG Breakfast Briefing Series** (May 17, [David Post, SASB Staff](#))
- **Palmetto Symposium at the University of South Carolina** (May 18, [Jeff Hales, SASB Board](#))
- **Responsible Investor Americas Annual Conference** (June 4, [Katie Schmitz Eulitt, SASB Staff](#))
- **Sustainable Brands Annual Conference** (June 6, [Sonal Dalal, SASB Staff](#))
- **Canadian Accounting Standards Oversight Committee** (June 7, [Jeff Hales, SASB Board](#))
- **NIRI Annual Conference** (June 10, [Janine Guillot, SASB Staff](#))
- **Conference Board CSR Council** (June 12, [Katie Schmitz Eulitt, SASB Staff](#))
- **Society of Corporate Governance National Conference** (June 21, [David Post, SASB Staff](#))
- **Organisation for Economic Co-operation and Development (OECD) Advisory Group Meeting** (July 3, [Katie Schmitz Eulitt, SASB Staff](#))
- **Findhorn Foundation SDG Programme** (July 2-5 [Jeff Hales, SASB Board](#))

# Agenda for Today's Public Board Meeting

<b>Time</b>	<b>Agenda Item</b>
<b>9:20 – 10:00am</b>	Development of Basis for Conclusions; Path to Codification
<b>10:00 – 10:40am</b>	Extractives & Minerals Processing Sector
<b>10:45 - 11:15am</b>	Health Care Sector
<b>11:20am – 11:50am</b>	Infrastructure Sector
<b>11:55 – 12:25pm</b>	Technology & Communications Sector
<b>12:25pm – 1:25pm</b>	BREAK

# Agenda for Today's Public Board Meeting

<b>Time</b>	<b>Agenda Item</b>
<b>1:25 – 1:55pm</b>	Resource Transformation Sector
<b>2:00 – 2:30pm</b>	Food & Beverage Sector
<b>2:35 - 2:55pm</b>	Consumer Goods Sector
<b>3:00 – 3:30pm</b>	Renewable Resources & Alternative Energy Sector
<b>3:35 – 4:15pm</b>	Financials Sector
<b>4:20 – 4:50pm</b>	Transportation Sector
<b>4:55 – 5:15pm</b>	Services Sector
<b>5:15 – 5:25pm</b>	Acknowledgment of SASB's Founder and former Chair, Jean Rogers, PhD
<b>5:25pm</b>	Meeting Adjourned



# Sustainability Accounting Standards Board

Public Standards Board Meeting

**David S. Post, CFA**  
Director of Research

*July 11, 2018*

# The Sustainability Accounting Standards Board (SASB)

## Discussion Topics

- 1 Standards Development Process
- 2 Standards Development Phases**
- 3 Standards Development by the Numbers
- 4 Discussion Format for Today



# Standards Development Process



# The SASB Lens on Financial Materiality

Standards targeted to the needs of investors for financially relevant ESG information



SASB Standards

Identify ESG factors reasonably likely to affect the *financial condition or operating performance* of companies within an industry

REQUIRE

Evidence of Investor Interest

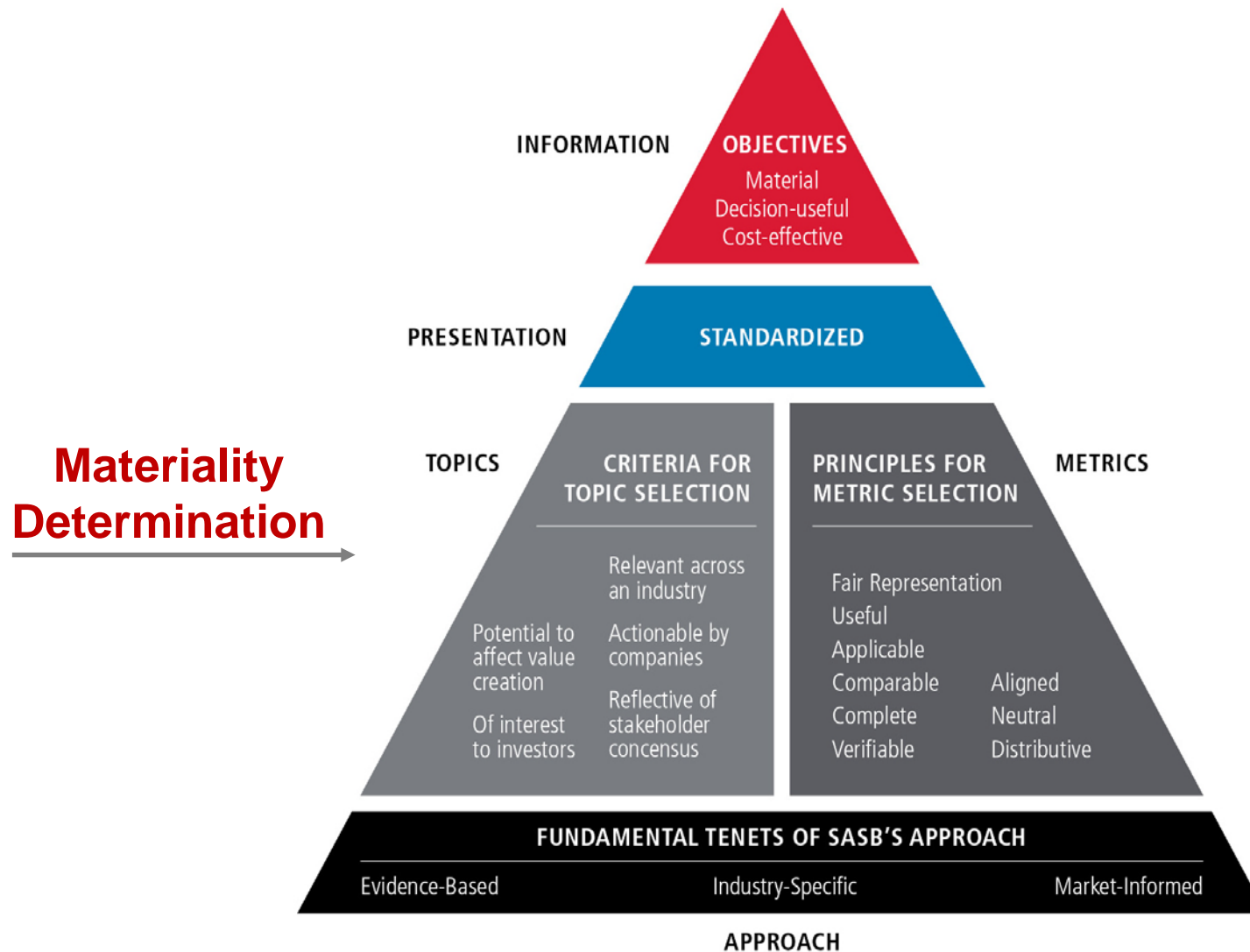
AND

Evidence of Financial Impact



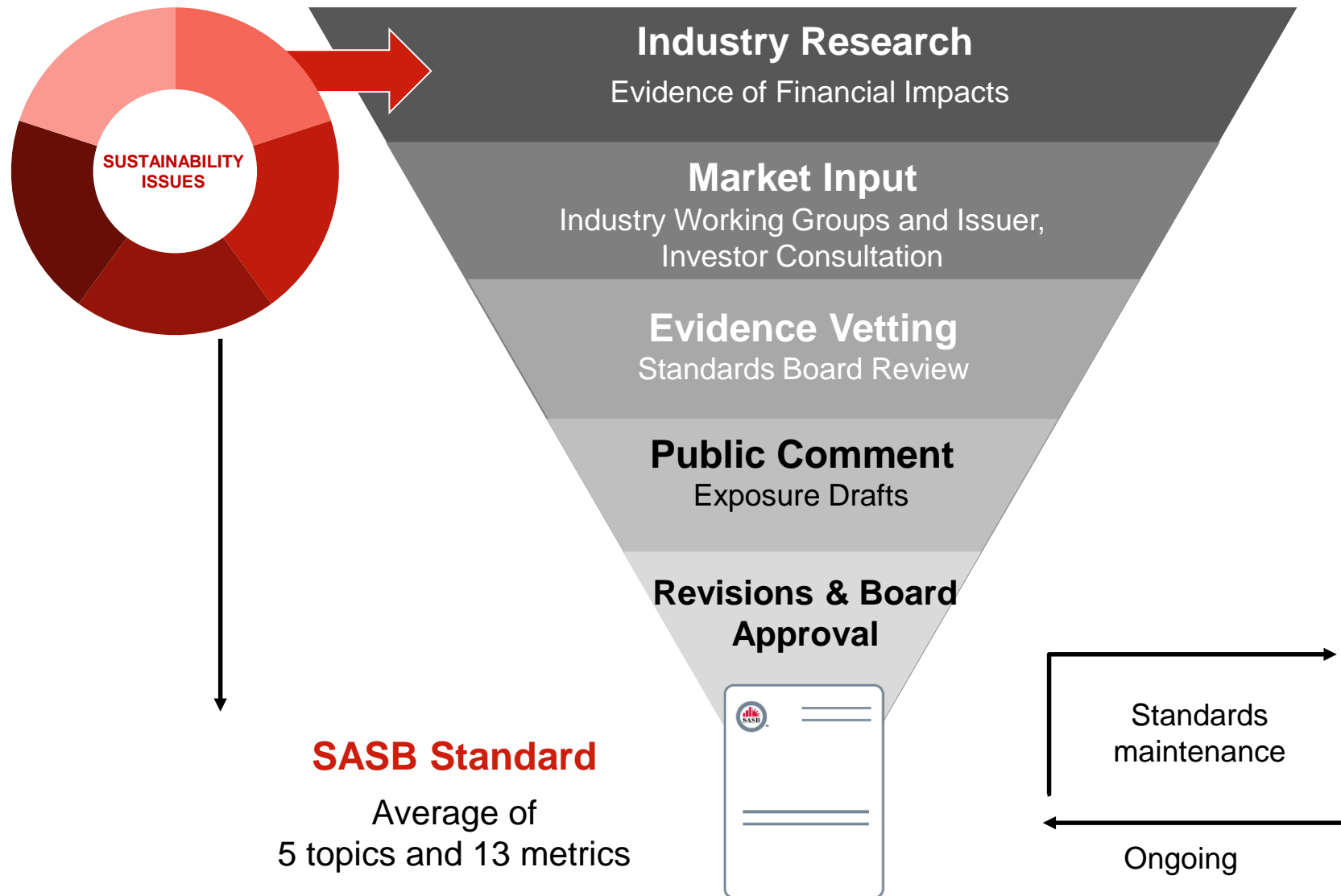
# SASB's Conceptual Framework Guides Standards Development

## Clear criteria govern disclosure topic and metric selection



# Rigorous Process Drives SASB Standards

Standards for each industry are rooted in evidence and shaped by market input



# Industries Grouped by Resource Intensity & Sustainability Impacts

Sustainable Industry Classification System (SICS™): 77 industries within 11 sectors



## Health Care

- Biotechnology & Pharmaceuticals
- Medical Equipment & Supplies
- Health Care Delivery
- Health Care Distributors
- Managed Care
- Drug Retailers



## Financials

- Commercial Banks
- Investment Banking & Brokerage
- Asset Management & Custody Activities
- Consumer Finance
- Mortgage Finance
- Security & Commodity Exchanges
- Insurance



## Technology & Communications

- Electronic Manufacturing Services & Original Design Manufacturing
- Software & IT Services
- Hardware
- Semiconductors
- Telecommunication Services
- Internet Media & Services



## Extractives & Minerals Processing

- Oil & Gas – Exploration & Production
- Oil & Gas – Midstream
- Oil & Gas – Refining & Marketing
- Oil & Gas – Services
- Coal Operations
- Iron & Steel Producers
- Metals & Mining
- Construction Materials



## Transportation

- Automobiles
- Auto Parts
- Car Rental & Leasing
- Airlines
- Air Freight & Logistics
- Marine Transportation
- Cruise Lines
- Rail Transportation
- Road Transportation



## Services

- Education
- Hotels & Lodging
- Casinos & Gaming
- Leisure Facilities
- Advertising & Marketing
- Media & Entertainment
- Professional & Commercial Services



## Resource Transformation

- Chemicals
- Aerospace & Defense
- Electrical & Electronic Equipment
- Industrial Machinery & Goods
- Containers & Packaging



## Renewable Resources & Alternative Energy

- Biofuels
- Solar Technology & Project Developers
- Wind Technology & Project Developers
- Fuel Cells & Industrial Batteries
- Forestry & Paper
- Pulp & Paper Products



## Food & Beverage

- Agricultural Products
- Meat, Poultry & Dairy
- Processed Foods
- Non-Alcoholic Beverages
- Alcoholic Beverages
- Tobacco
- Food Retailers & Distributors
- Restaurants



## Consumer Goods

- Household & Personal Products
- Multiline and Specialty Retailers & Distributors
- E-Commerce
- Apparel, Accessories & Footwear
- Building Products & Furnishings
- Appliance Manufacturing
- Toys & Sporting Goods



## Infrastructure

- Electric Utilities & Power Generators
- Gas Utilities & Distributors
- Water Utilities & Services
- Waste Management
- Engineering & Construction Services
- Home Builders
- Real Estate
- Real Estate Services

# Designed for communications to investors

Meet investor needs for comparable, consistent, reliable data

Financial Accounting Standards



International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Principles (GAAP) govern presentation of the financial statements



- **Integrated Reports**
- **Annual Reports**
- **Regulatory Filings**
- **Other Investor Communications**



SASB Disclosure Topics and Metrics designed to guide management's discussion and analysis, risk analysis, strategic analysis as appropriate



SASB standards are acknowledged by the EU as a framework for use to provide information pursuant to *Directive 2014/95/EU* on non-financial reporting.



# Insight Across Multiple Asset Classes

SASB standards enable ESG integration across multiple asset classes

## PUBLIC EQUITIES

- Data-driven corporate engagement
- Input to fundamental equity analysis
- Construct alternative indexes

## CORPORATE FIXED INCOME

- Input to credit analysis and internal credit rating assignment
- Assess quality of disclosure for insight into risk

## PRIVATE EQUITY

- Identify focus areas for fund and portfolio company due diligence
- Report to GPs and LPs on performance on material ESG topics

## REAL ASSETS

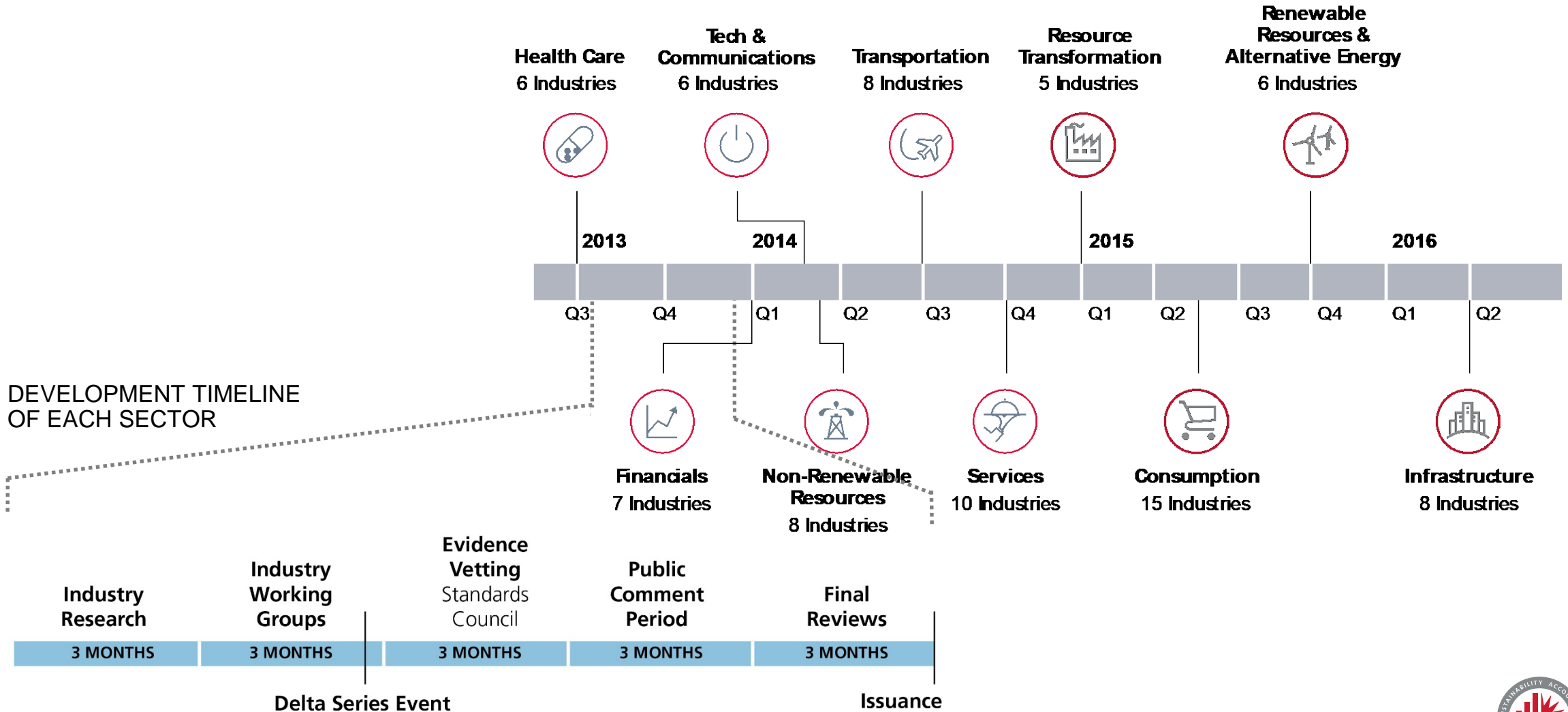
- Use SASB's Infrastructure sector standards to guide risk assessment and performance reporting for real assets

# Standards Development Phases



# Phase 1: Develop Complete Set of Provisional Standards

Sequential standards development by industry in each sector





# Phase 2: Update Complete Set of Provisional Standards

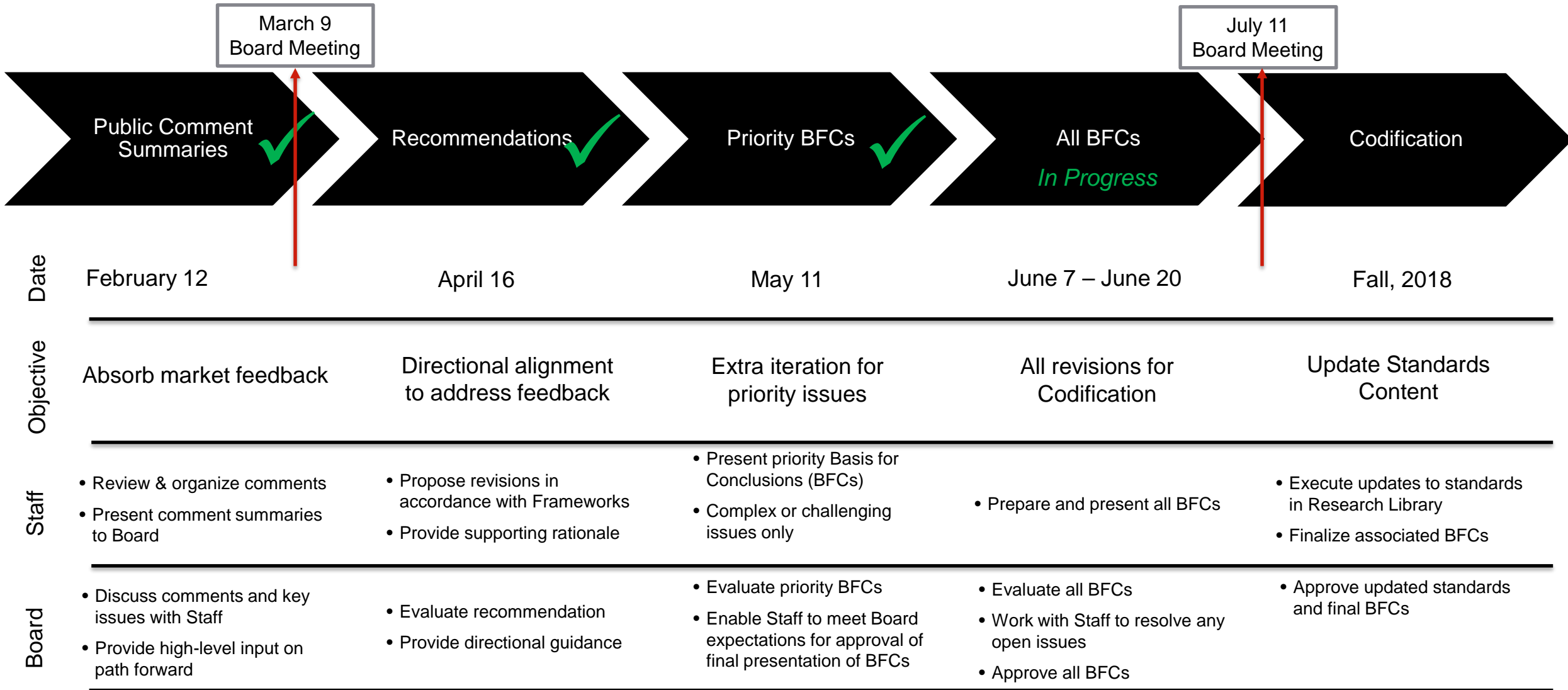
Update all industry standards during a 2-year update process



Date	2016 Q4 - 2017 Q1	Q1 2017	2017 Q2 - 2017 Q3	10/2/17	10/2/17-1/31/18
Objective	Identify & evaluate key issues	Seat diverse and experienced Board	Iterate to improve proposed changes	Improve quality of standards	<ul style="list-style-type: none"> <li>• Second public comment period for each industry</li> <li>• 120 individual letters received</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Research important issues</li> <li>• Consult with stakeholders on these and other issues</li> </ul>		<ul style="list-style-type: none"> <li>• Staff proposed changes based upon research &amp; consultation</li> <li>• Consistent with Conceptual Framework</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple staff reviews and QC</li> <li>• Includes redline update to Provisional Standards</li> </ul>	<ul style="list-style-type: none"> <li>• Execute consultation lookback to double check</li> <li>• Present to Board approach to considering comments &amp; lookback</li> </ul>
Board		<ul style="list-style-type: none"> <li>• Investing, accounting, legal, sustainability, finance, standards</li> <li>• 3-sectors each based on expertise; 1- sector chair each</li> </ul>	<ul style="list-style-type: none"> <li>• Sector Committee review &amp; comment on each proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Agreed with all proposed changes</li> <li>• Voted for complete set of 77 industry standards</li> </ul>	<ul style="list-style-type: none"> <li>• Review with staff approach to considering comments and consultation lookback</li> </ul>



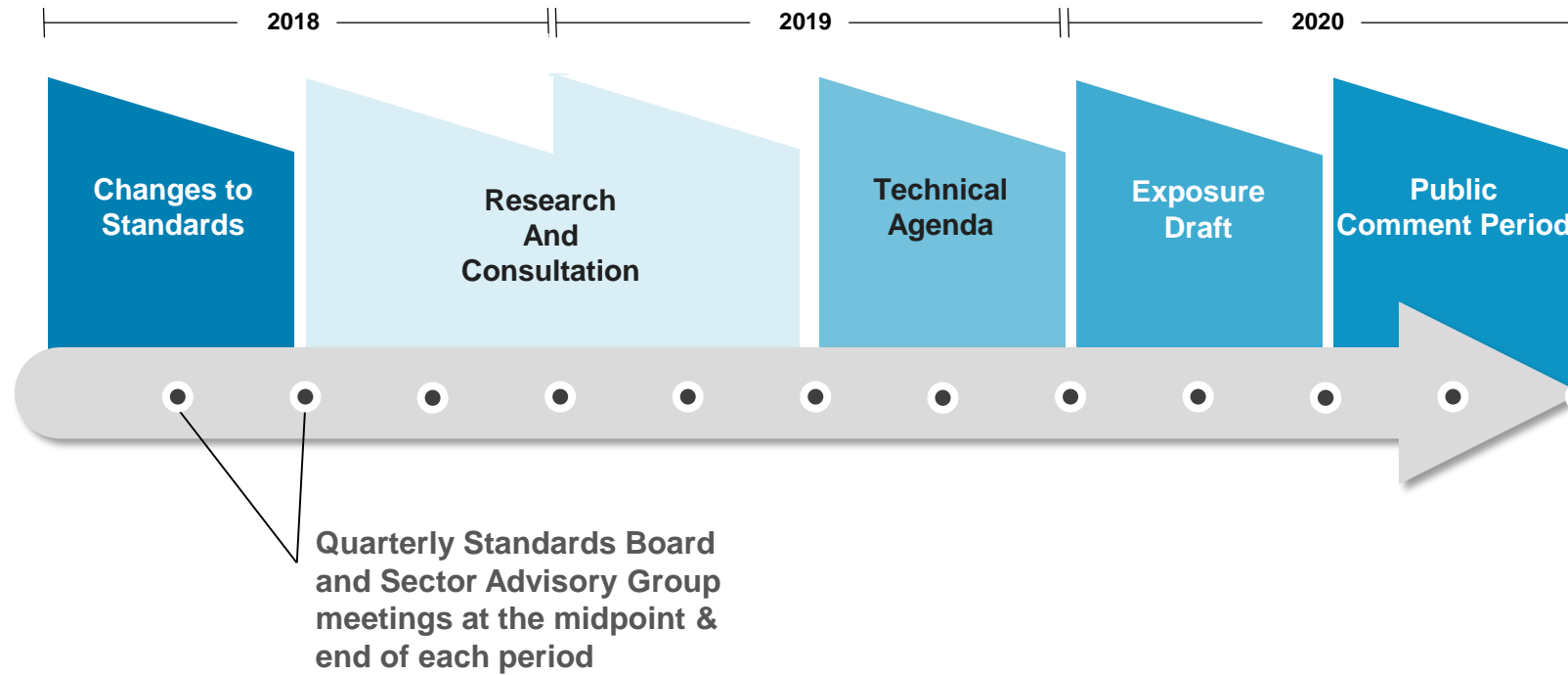
# Phase 2 (continued): Codification Process & Timeline



# Phase 3 and Beyond: Update Complete Set of Standards Every Three Years

SASB standards will be maintained to evolve along with the markets they serve

## Multi-year cycle from Q3 2018



## Sector Advisory Groups

Stakeholders will advise on ongoing standards development

**SAG Purpose:** Provide feedback to the SASB Staff and Standards Board regarding the content and use of the standards

**Apply:** [www.sasb.org/sag](http://www.sasb.org/sag)

## Membership Profile & Time Commitment

Composition 15-20 Members	Expertise
Companies (60%)	Sustainability Finance Legal
Investors (20%)	Buy-side analysts & sector PMs Sell-side analysts Equity and Fixed Income
SMEs (20%)	Industry Consultants Accountants Attorneys

PERIODIC MEETINGS

PERIODIC CALLS

PUBLIC LISTING OF MEMBERSHIP

# Research Agenda

Drives the next standards update and addresses longer-term issues

- Evolving list of important, typically topic-level, issues in each sector
- 50+ issues at present, to be published soon after codification
- Issues raised by Standards Board and SASB Analysts
- Issues raised during consultation or PCP which required more time to evaluate
- SAGs will provide important input re initial RA and prospective RA items
- Research will commence post-codification and fold into standards update timeline
- Research assistance will be provided by academics
- Will also include long-term projects outside the 3-year review cycle

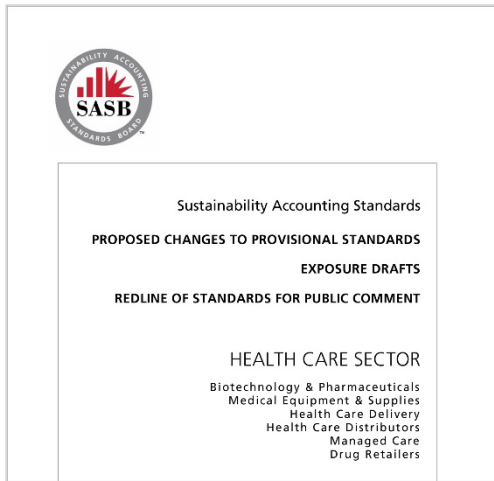


# Standards Development by the Numbers



# 248 Proposed Updates to the Provisional Standards

Three primary types of proposed changes



248 changes to provisional standards

Comprising:

- Industry and investor feedback from consultation phase
- Cross-cutting issues, including climate risk (TCFD), human capital, water risk, cybersecurity, governance

	Health Care	Financials	Technology & Communications	Extractives & Minerals Processing	Transportation	Services	Resource Transformation	Food & Beverage	Consumer Goods	Renewable Resources & Alternative Energy	Infrastructure	Total
Topic-level change	6	11	0	5	5	8	4	10	4	4	8	65
Metric-level change	12	42	13	20	9	7	18	13	5	5	7	151
Other type of change	5	3	5	9	0	1	5	2	0	2	0	32
Total	23	56	18	34	14	16	27	25	9	11	15	248



# Public Comments on Proposed Updates and Balance of Provisional Standards

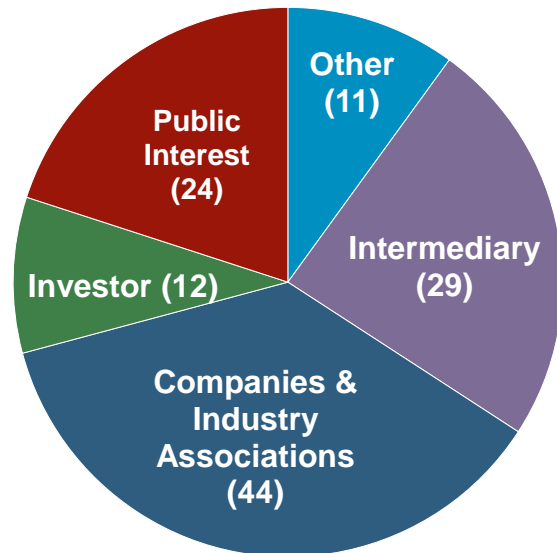
The public commented on both proposed changes and the balance of the standards

## SUMMARY THEMES

1. Companies ask for fewer metrics with more D&A while investors ask for more metrics and less D&A
2. Comments were focused and detailed regarding metrics and technical protocols
3. Letters addressed climate change (46), human capital (30) and cybersecurity (13)

Sector	# of Individual Comments
Health Care	40
Financials	168
Technology & Comms	71
Extractives	404
Transportation	70
Services	32
Resource Transformation	114
Food & Beverage	185
Consumer Goods	113
Renewable Resources	70
Infrastructure	159

Amounts to 1,596 individual comments



- 120 public comment letters received from 97 different individuals / organization
- Comments received in 67 of 77 industries
- 53% of 248 proposed changes received comments
- Most comments from **Companies & Industry Associations**

# Public Comments on Proposed Updates and Balance of Provisional Standards

Selected submissions demonstrate high quality commenters

## Associations

AICPA  
Airlines for America  
American Chemistry Council  
American Coatings  
American Forest & Paper Products\*  
American Society of Safety Engineers  
Association of Home Appliance Manufacturers  
Association of Metropolitan Water Agencies  
Green Electronics Council  
Institute of Internal Auditors  
Institute of Management Accountants  
IPIECA  
Marketing Accounting Standards Board  
National Council for Air and Stream Improvement  
National Ready Mixed Concrete  
U.S. Tire Manufacturers Association

## Companies

AT&T  
CalSTRS  
Chevron  
Conoco Phillips  
Covanta  
Duke Energy  
Etsy  
First Solar  
Flextronics  
GE  
Goby  
HSBC  
JP Morgan Chase  
NRG  
Philip Morris International  
Salesforce  
Sempra Energy  
Suncor  
Travelers Insurance  
United Technologies

## Investors & Asset Owners

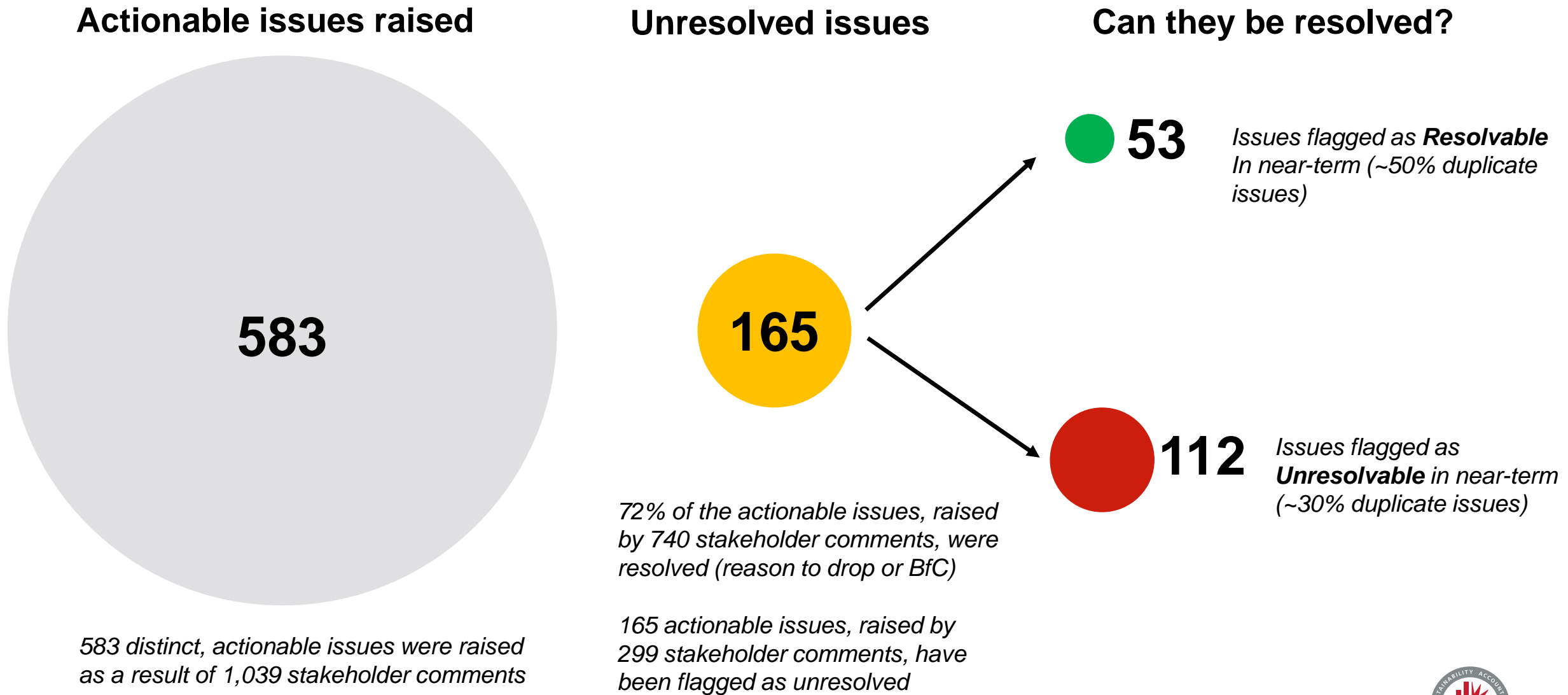
Breckinridge Capital  
CalPERS  
Domini  
Longfellow Investments  
Office of NY State Comptroller  
Pinebridge Investments  
Walden Asset Management  
Wells Fargo Asset Management

\* *Multiple submissions*



# Consultation Lookback to Identify Missed Actionable Recommendations

72% of actionable issues resolved, with opportunities to resolve remaining issues



Discussion format for today



# Sector Discussion Format

Focused and open discussion of key issues

- **Timing:** 20-40 minutes per sector, depending upon sector complexity
- **SASB Sector Chair overview:** Identify other Board members on committee; # of proposed revisions; high-level comment re 2-4 sector issues to be discussed
- **Analyst slide comments:** Notes summary stakeholder feedback statistics and number of proposals
- **Analyst issue comment & discussion:** Analyst explains first issue, its historic context, why the issue is complex/controversial and key questions which arose re the issue; full Board then engages the analyst on the issue in an open discussion
- **Repeat:** Repeat above two steps for each of 2-4 issues per sector
- **Materials:** 432 proposed revisions summaries at <https://www.sasb.org/standards/public-meetings-sasb/#meetings>





**Accounting for a  
Sustainable Future**



# Sustainability Accounting Standards Board

Public Board Meeting Extractives & Minerals Processing Sector Discussion

*July 11, 2018*



# Items for Discussion

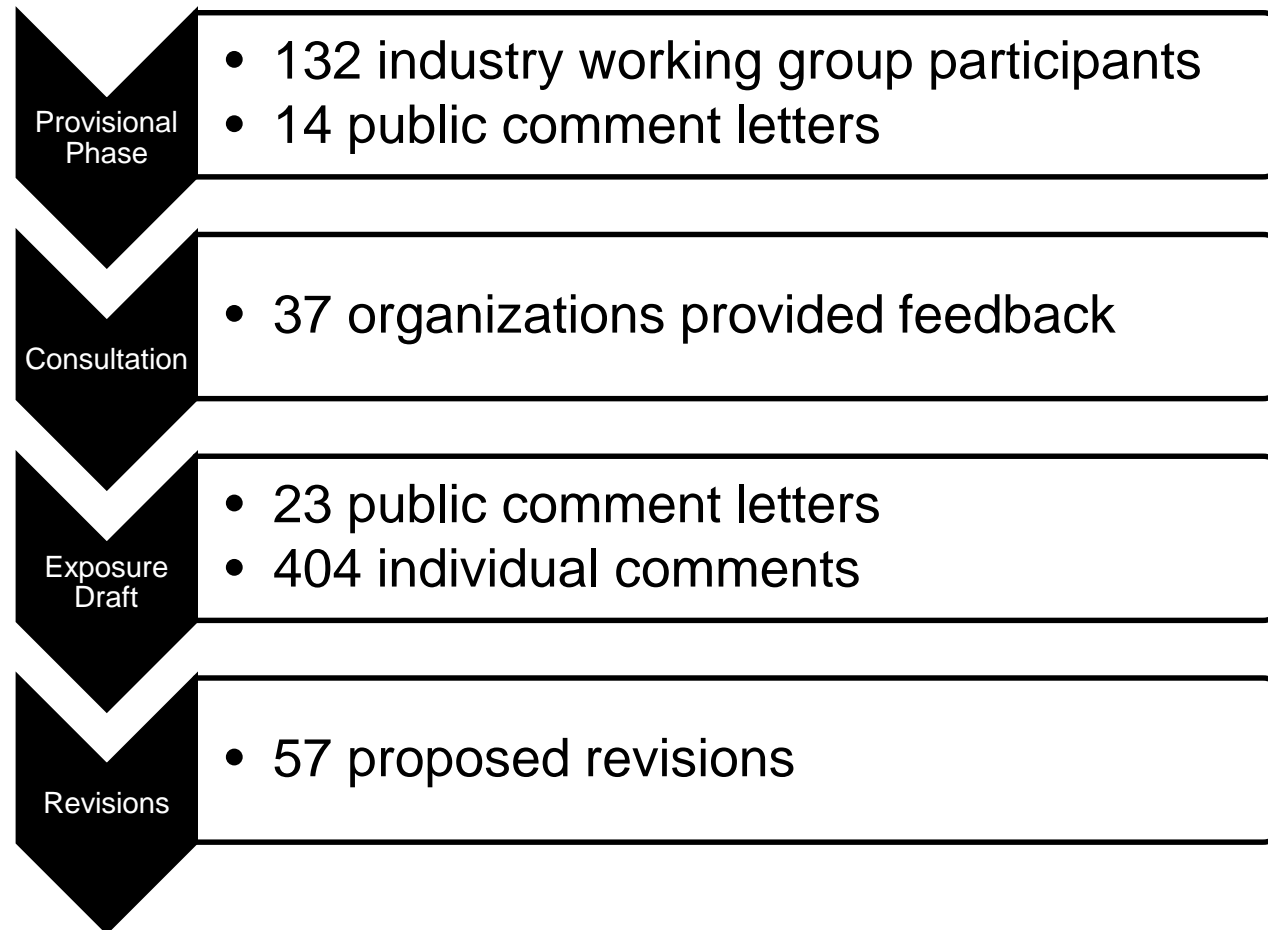
## Extractives & Minerals Processing Sector

1. SASB approach to incorporation of climate-related scenario analysis in Oil & Gas – Exploration & Production and Coal Operations industries
2. Disclosure of hydrocarbon reserves in locations that are subject to elevated sustainability-related risks in the Oil & Gas – Exploration & Production industry
3. References to external industry-based reporting frameworks in multiple industries

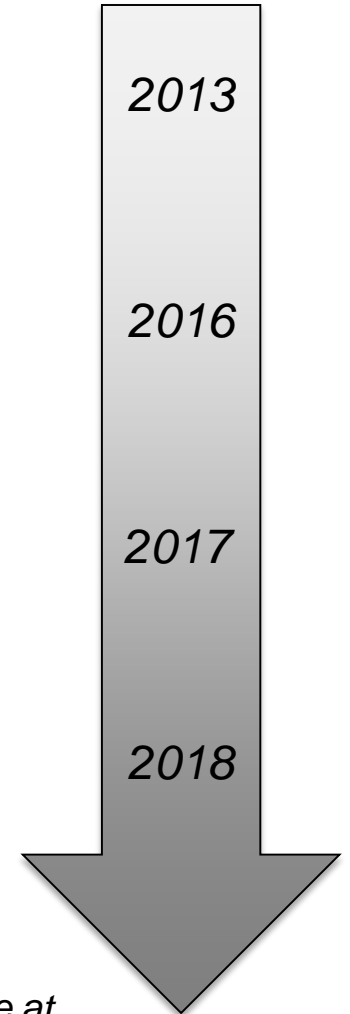
# Extractives & Minerals Processing Sector

## Summary Statistics

Industries in the Sector
Oil & Gas – Exploration & Production
Oil & Gas – Midstream
Oil & Gas – Refining & Marketing
Oil & Gas – Services
Coal Operations
Iron & Steel
Metals & Mining
Construction Materials



## Development Timeline



The 2017/2018 Public Comment Period materials can be found on the SASB website at <https://www.sasb.org/exposure-drafts/>

\*IWG Participant list can be found at SASB website at <https://www.sasb.org/standards/sector-resources/>. Totals do not include anonymous participants.



# Items for Discussion

## Extractives & Minerals Processing Sector

1. SASB approach to incorporation of climate-related scenario analysis in Oil & Gas – Exploration & Production and Coal Operations industries
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# Sustainability Accounting Standards Board

Public Board Meeting Health Care Sector Discussion

*July 11, 2018*

# Items for Discussion

## Health Care Sector

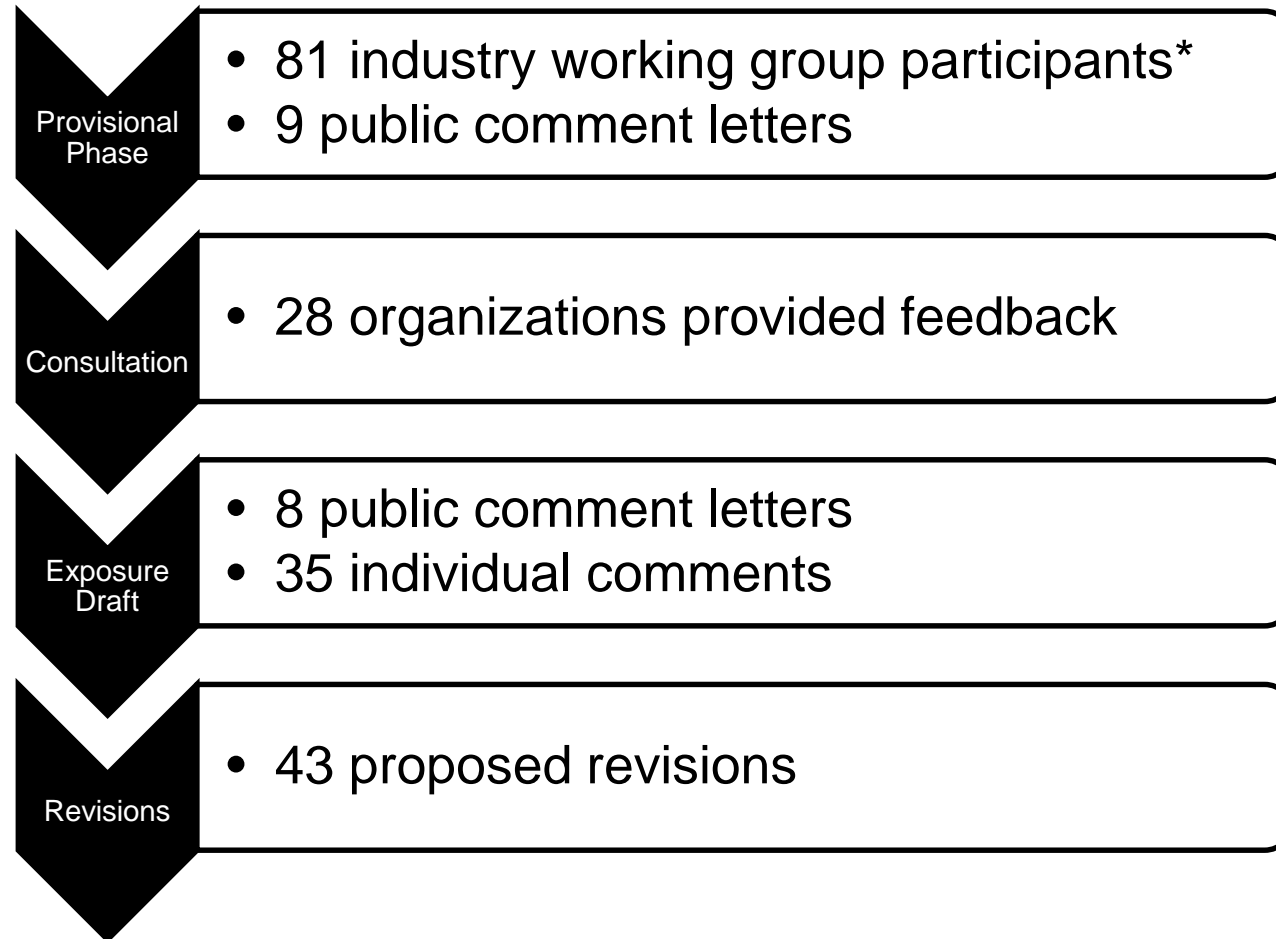
1. SASB approach to Affordability & Pricing in Biotechnology & Pharmaceuticals
2. Data security in Managed Care and Health Care Delivery
3. References to prescription drug monitoring program (PDMP) database



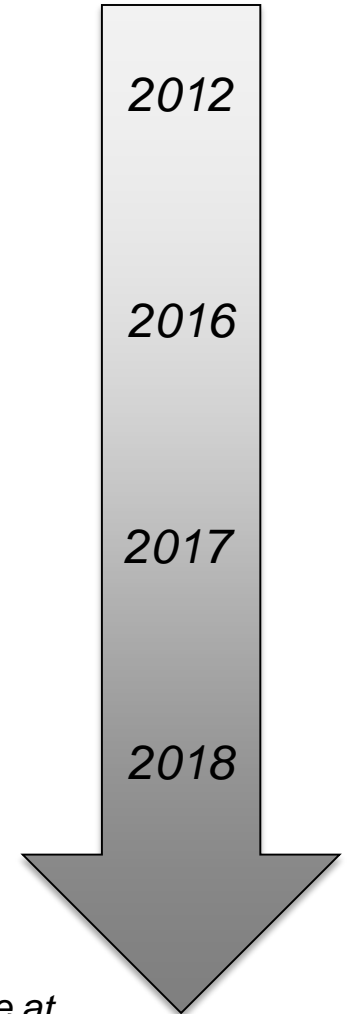
# Health Care Sector

## Summary Statistics

Industries in the Sector
Biotechnology & Pharmaceuticals
Medical Equipment & Supplies
Health Care Delivery
Health Care Distributors
Managed Care
Drug Retailers



### Development Timeline



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# Items for Discussion

## Health Care Sector

1. SASB approach to Affordability & Pricing in Biotechnology & Pharmaceuticals
2. Data security in Managed Care and Health Care Delivery
3. References to prescription drug monitoring program (PDMP) database





# Sustainability Accounting Standards Board

Public Board Meeting Infrastructure Sector Discussion

*July 11, 2018*



# Items for Discussion

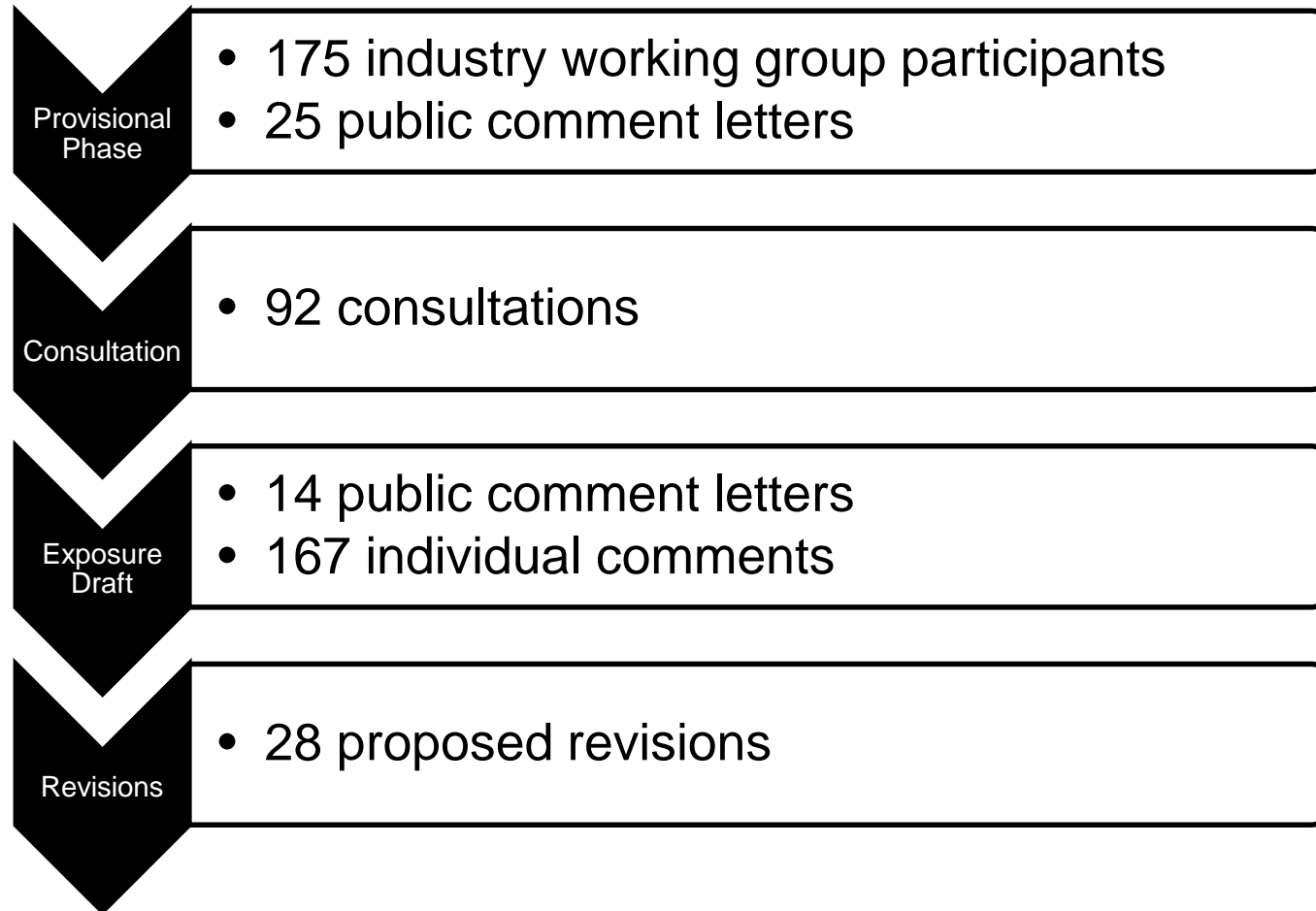
## Infrastructure Sector

1. Affordability in Utilities industries, including potential addition of qualitative metric
2. Revision of Water Scarcity topic in Water Utilities industry to focus on supply risks more broadly and generally maintain metrics (revised qualitative metric)
3. Industry-specific nature of GHG emissions in the Waste Management industry, including avoided emissions and waste-to-energy

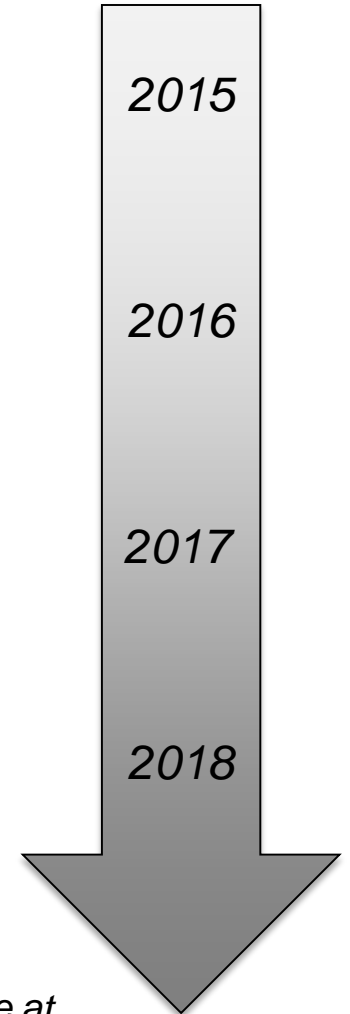
# Infrastructure Sector

## Summary Statistics

Industries in the Sector
Electric Utilities & Power Generators
Gas Utilities & Distributors
Water Utilities & Services
Waste Management
Engineering & Construction Services
Home Builders
Real Estate
Real Estate Services



### Development Timeline



The 2017/2018 Public Comment Period materials can be found on the SASB website at <https://www.sasb.org/exposure-drafts/>

# Items for Discussion

## Infrastructure Sector

1. Affordability in Utilities industries, including potential addition of qualitative metric
2. Revision of Water Scarcity topic in Water Utilities industry to focus on supply risks more broadly and generally maintain metrics (revised qualitative metric)
3. Industry-specific nature of GHG emissions in the Waste Management industry, including avoided emissions and waste-to-energy



# Sustainability Accounting Standards Board

Public Board Meeting Technology & Communications Sector Discussion

*July 11, 2018*

# Items for Discussion

## Technology & Communications Sector

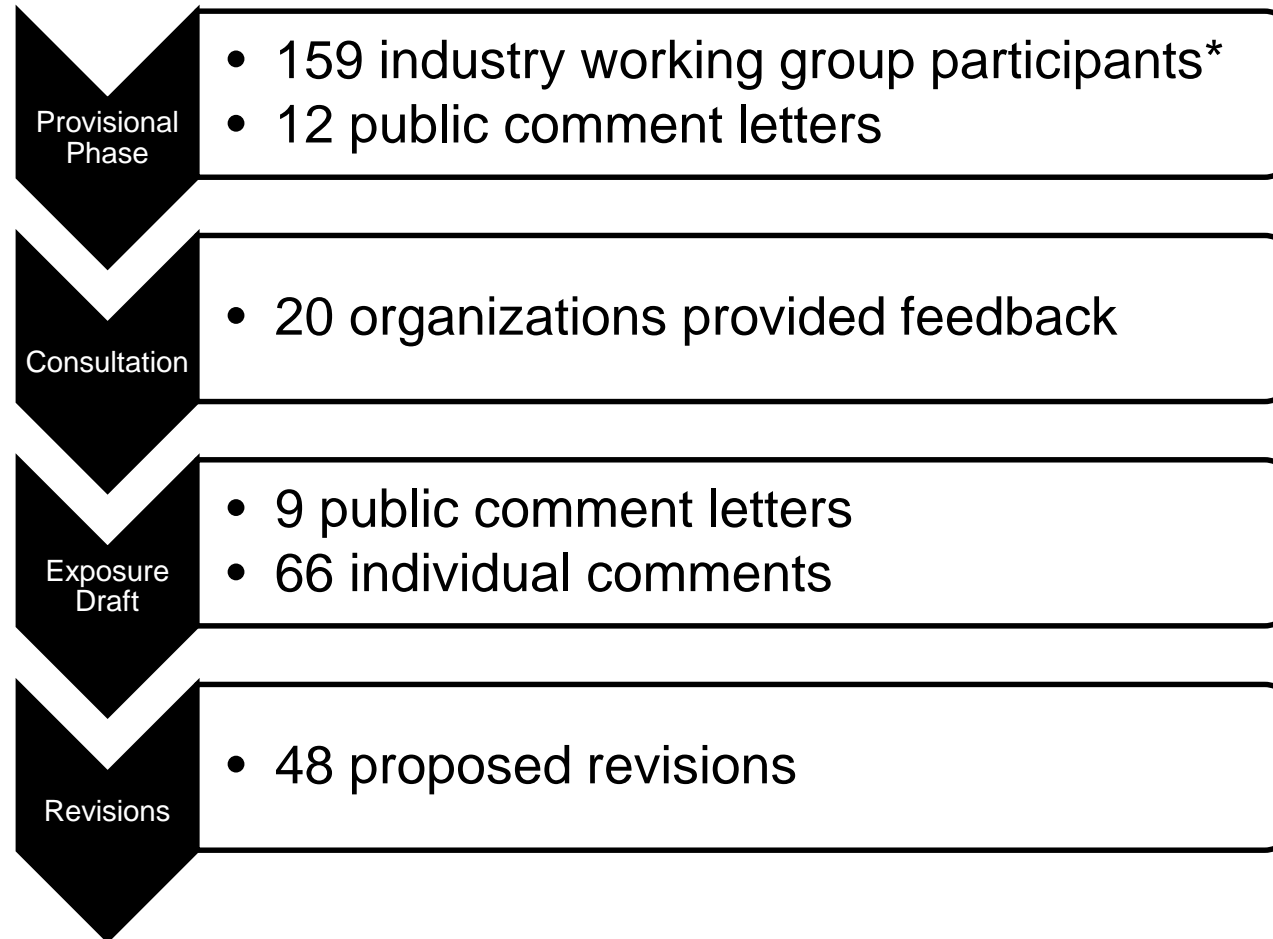
1. Measurement of facility auditing – high-risk versus all facilities; percentage versus absolute measurement
2. Approach on independent “certification” for cybersecurity



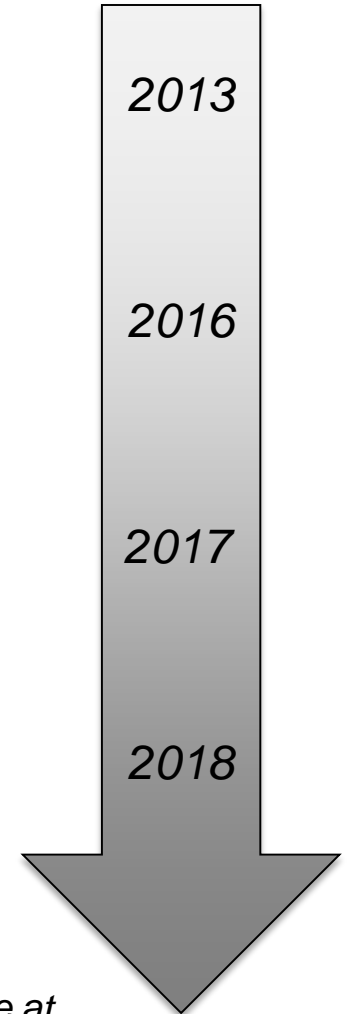
# Technology & Communications Sector

## Summary Statistics

Industries in the Sector
Electronic Manufacturing Services & Original Device Manufacturing
Software & IT Services
Hardware
Semiconductors
Telecommunication Services
Internet Media & Services



## Development Timeline



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# Items for Discussion

## Technology & Communications Sector

1. Measurement of facility auditing – high-risk versus all facilities; percentage versus absolute measurement
2. Approach on independent “certification” for cybersecurity



**BREAK**  
**12:25pm – 1:25pm**







# Sustainability Accounting Standards Board

Public Board Meeting Resource Transformation Sector Discussion

*July 11, 2018*

# Items for Discussion

## Resource Transformation Sector

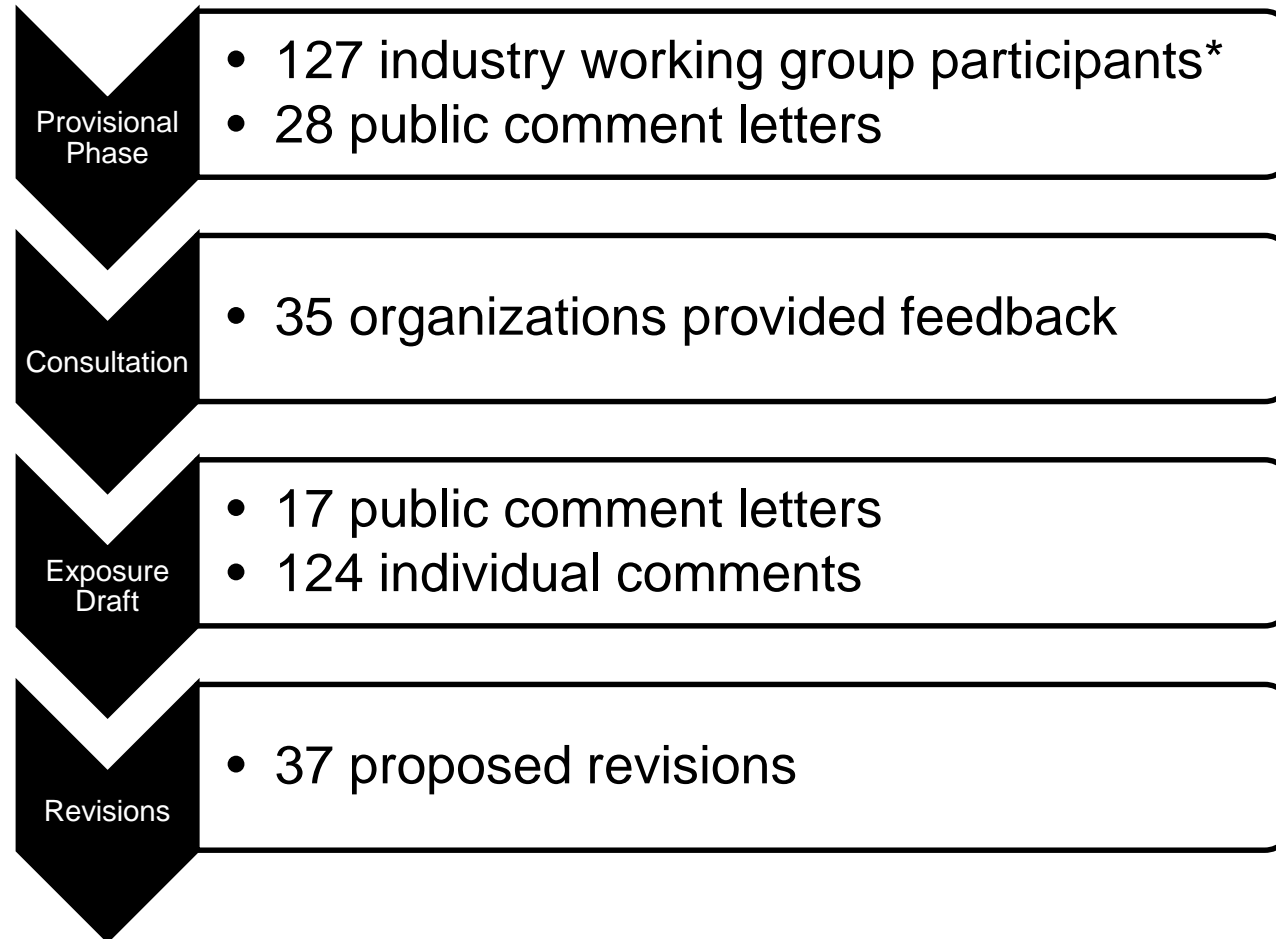
1. Challenges developing a robust, comparable definition for chemical hazard risk assessments in the Chemicals industry standard
2. Discuss benefits and stakeholder concerns regarding the disclosure of regional regulations for the hazardous waste metric in multiple industries



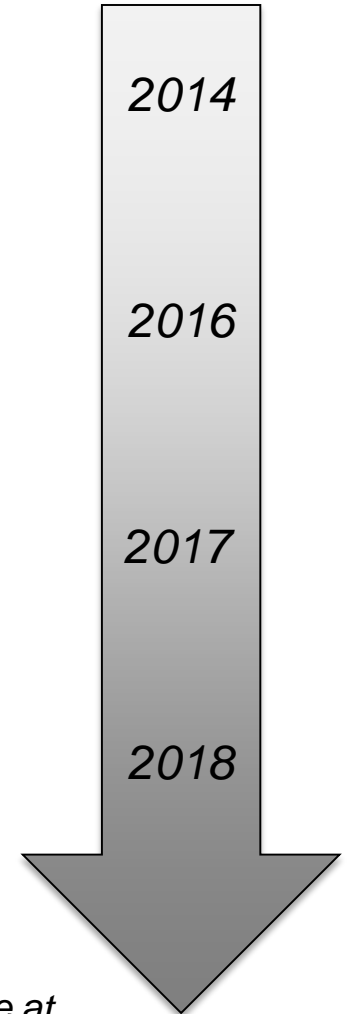
# Resource Transformation Sector

## Summary Statistics

Industries in the Sector
Chemicals
Aerospace & Defense
Electrical & Electronic Equipment
Industrial Machinery & Goods
Containers & Packaging



## Development Timeline



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# Items for Discussion

## Resource Transformation Sector

1. Challenges developing a robust, comparable definition for chemical hazard risk assessments in the Chemicals industry standard
2. Discuss benefits and stakeholder concerns regarding the disclosure of regional regulations for the hazardous waste metric in multiple industries





# Sustainability Accounting Standards Board

Public Board Meeting Food & Beverage Sector Discussion

*July 11, 2018*

# Items for Discussion

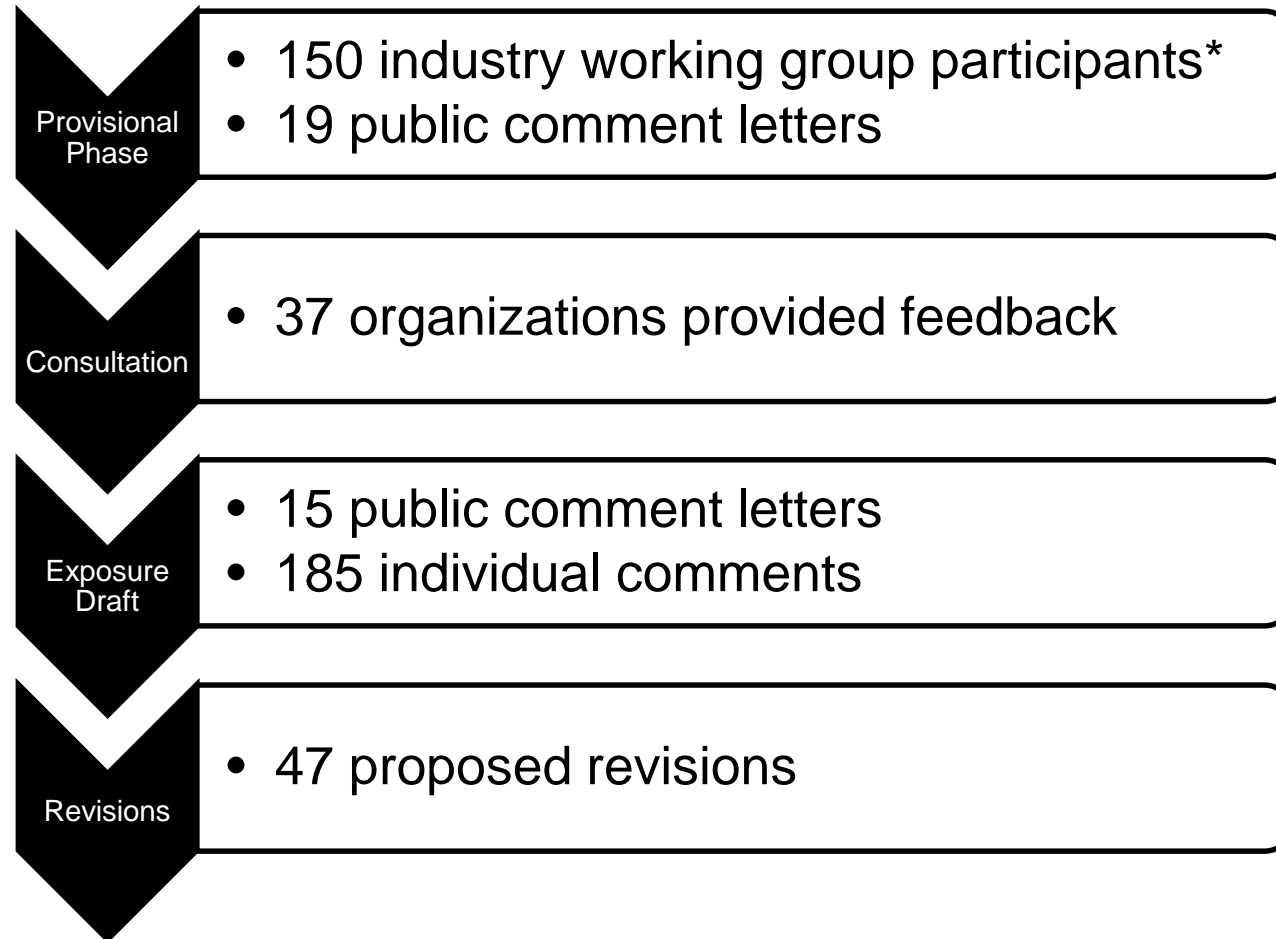
## Food & Beverage Sector

1. Discuss the approach for the metric on advertising targeted toward children in multiple industries
2. Discuss the ability and cost-effectiveness for companies to collect data from contracted suppliers in the Meat, Poultry & Dairy industry

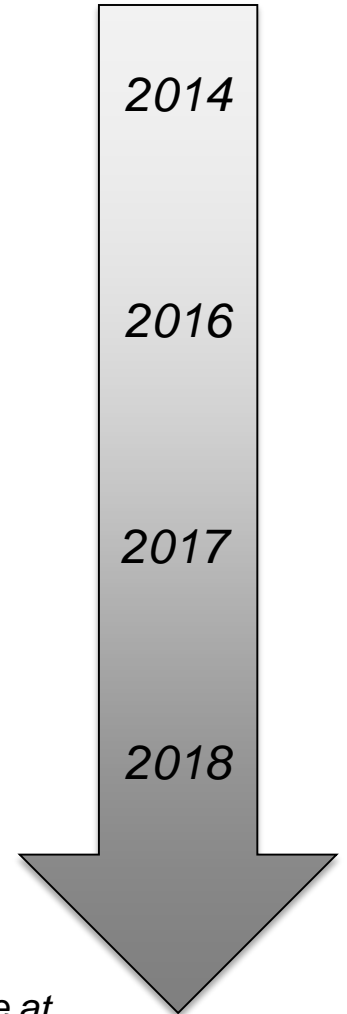
# Food & Beverage Sector

## Summary Statistics

Industries in the Sector
Agricultural Products
Meat, Poultry & Dairy
Processed Foods
Non-Alcoholic Beverages
Alcoholic Beverages
Tobacco
Food Retailers & Distributors
Restaurants



### Development Timeline



The 2017/2018 Public Comment Period materials can be found on the SASB website at <https://www.sasb.org/exposure-drafts/>

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# Items for Discussion

## Food & Beverage Sector

1. Discuss the approach for the metric on advertising targeted toward children in multiple industries
2. Discuss the ability and cost-effectiveness for companies to collect data from contracted suppliers in the Meat, Poultry & Dairy industry







# Sustainability Accounting Standards Board

Public Board Meeting Consumer Goods Sector Discussion

*July 11, 2018*

# Items for Discussion

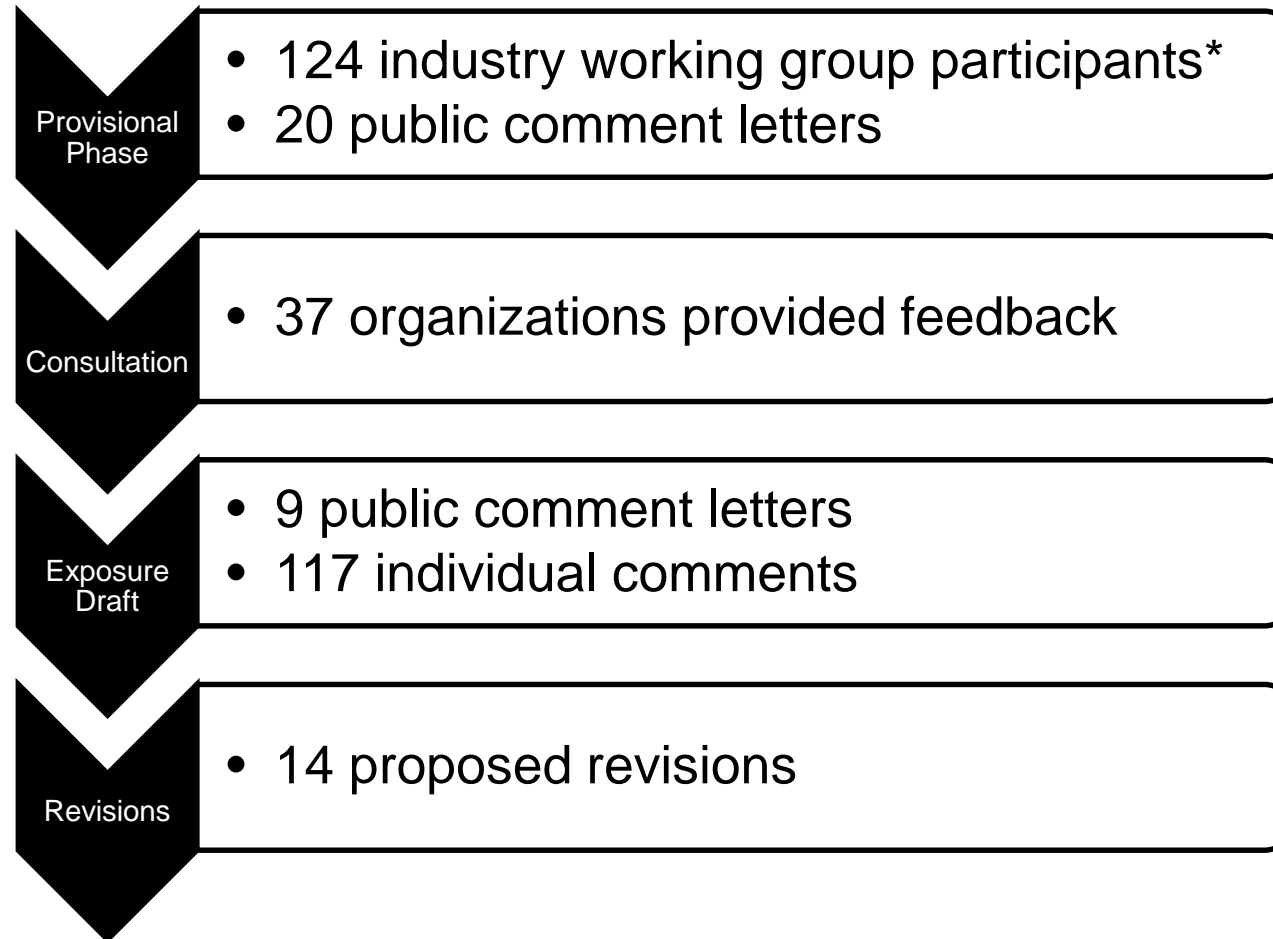
## Consumer Goods Sector

1. Employee engagement metric in the E-Commerce industry, including determination around 3rd party reference
2. Customer privacy metric in the E-Commerce industry, and how it addressing stakeholder concerns

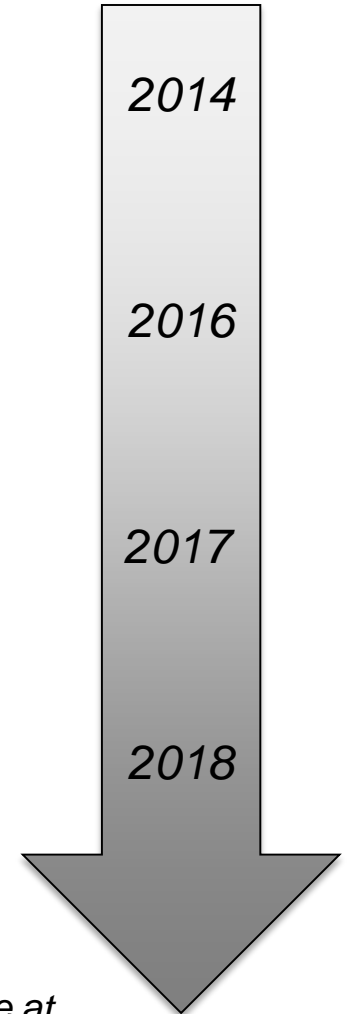
# Consumer Goods Sector

## Summary Statistics

Industries in the Sector
Apparel, Accessories & Footwear
Appliance Manufacturing
Household & Personal Products
Building Products & Furnishings
Toys & Sporting Goods
Multiline and Specialty Retailers & Distributors
E-Commerce



### Development Timeline



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# Items for Discussion

## Consumer Goods Sector

1. Employee engagement metric in the E-Commerce industry, including determination around 3rd party reference
2. Customer privacy metric in the E-Commerce industry, and how it is addressing stakeholder concerns



# Sustainability Accounting Standards Board

Public Board Meeting Renewable Resources & Alternative Energy Sector Discussion

*July 11, 2018*

# Items for Discussion

## Renewable Resources & Alternative Energy Sector

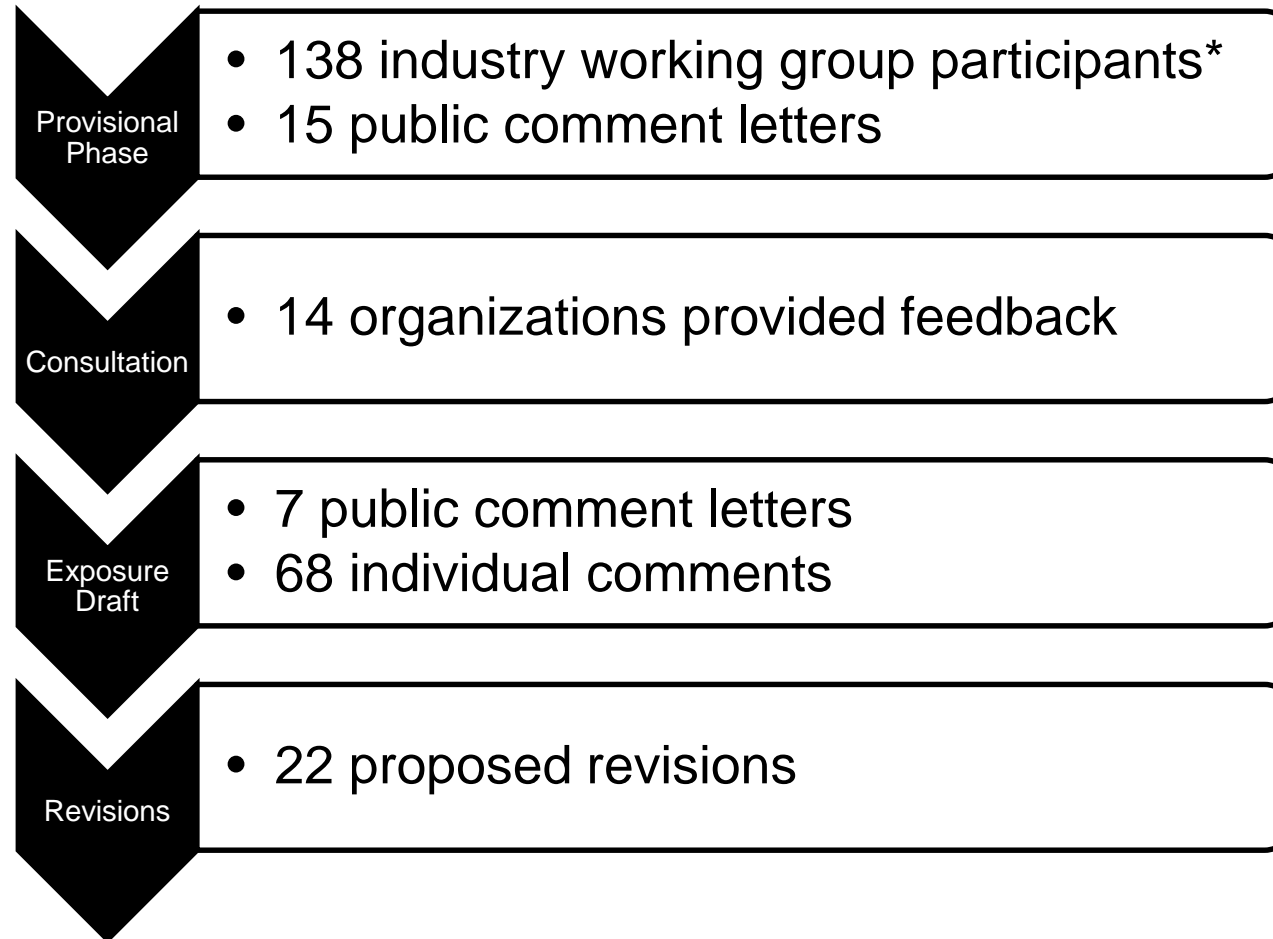
1. Evolution of critical materials metric in multiple industries, including stakeholder feedback and reasoning behind final metric
2. Review of changes for Solar industry and the nature of stakeholder input that drove revisions



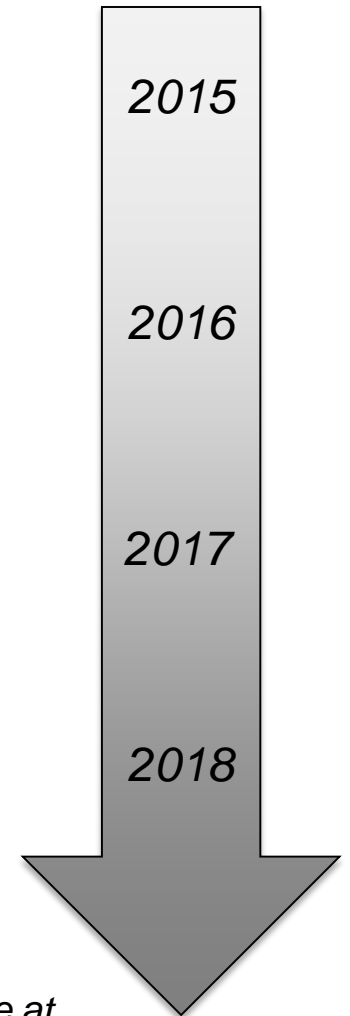
# Renewable Resources & Alternative Energy Sector

## Summary Statistics

Industries in the Sector
Biofuels
Solar Technology & Developers
Wind Technology & Developers
Fuel Cells & Industrial Batteries
Forestry Management
Pulp & Paper Products



## Development Timeline



The 2017/2018 Public Comment Period materials can be found on the SASB website at <https://www.sasb.org/exposure-drafts/>

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# Items for Discussion

## Renewable Resources & Alternative Energy Sector

1. Evolution of critical materials metric in multiple industries, including stakeholder feedback and reasoning behind final metric
2. Review of changes for Solar industry and the nature of stakeholder input that drove revisions





# Sustainability Accounting Standards Board

Public Board Meeting Financials Sector Discussion

*July 11, 2018*

# Items for Discussion

## Financials Sector

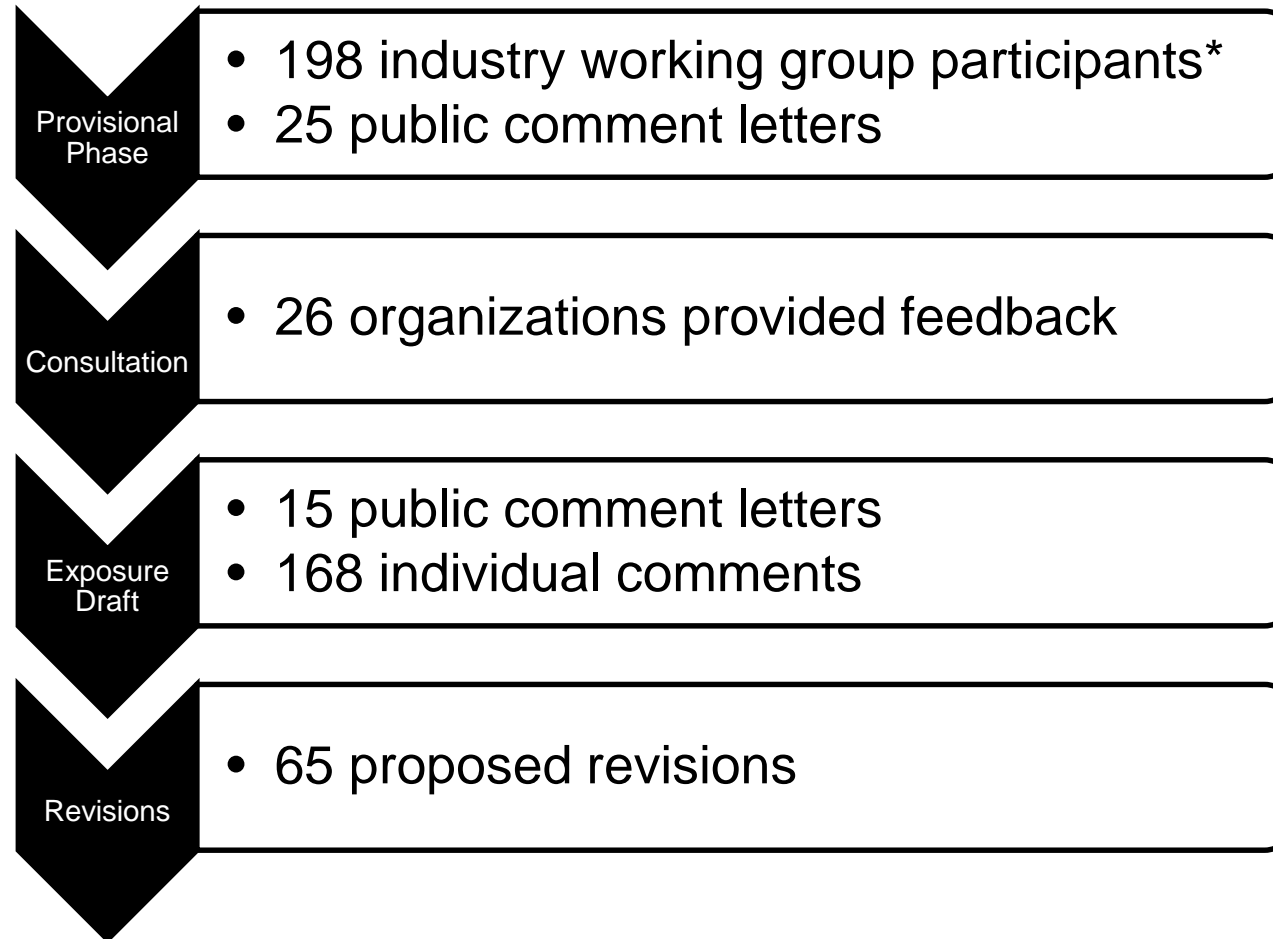
1. Measuring level of incorporation of ESG factors in the key financial activities
2. Approach to assessing systemic risk in the Insurance industry



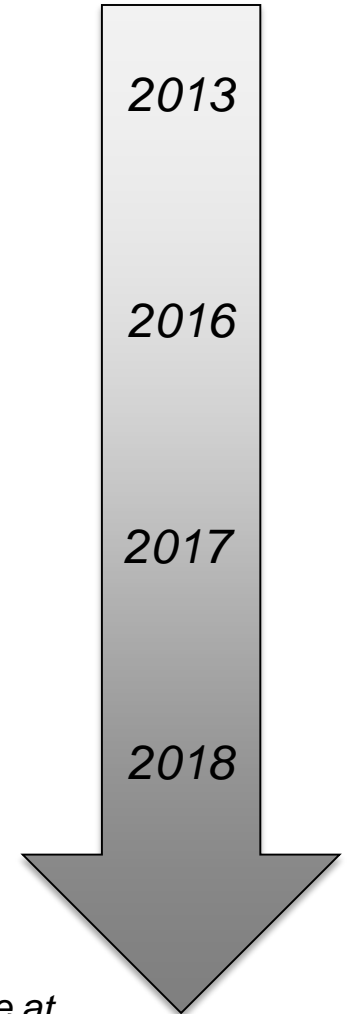
# Financials Sector

## Summary Statistics

Industries in the Sector
Commercial Banks
Investment Banking & Brokerage
Asset Management & Custody Activities
Consumer Finance
Mortgage Finance
Security & Commodity Exchanges
Insurance



## Development Timeline



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# Items for Discussion

## Financials Sector

1. Measuring level of incorporation of ESG factors in the key financial activities
2. Approach to assessing systemic risk in the Insurance industry



# Sustainability Accounting Standards Board

Public Board Meeting Transportation Sector Discussion

*July 11, 2018*

# Items for Discussion

## Transportation Sector

1. Definition for independent contractors in Air Freight & Logistics
2. Revision from serious marine incidents to marine casualties in Marine

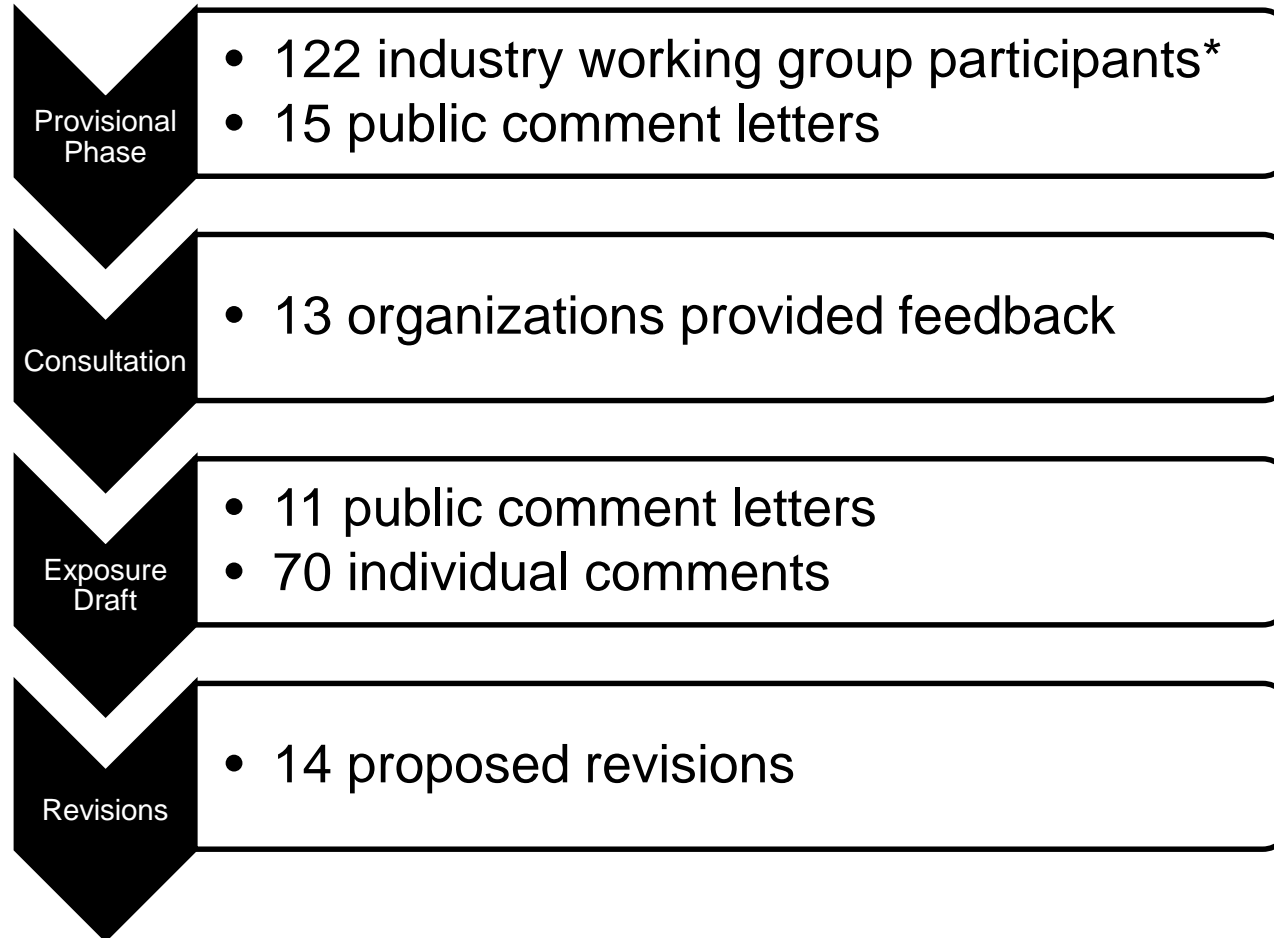
## Transportation and Cruise Lines

3. Revision from renewable fuel to alternative fuel and sustainable fuel in Airlines  
and Air Freight & Logistics

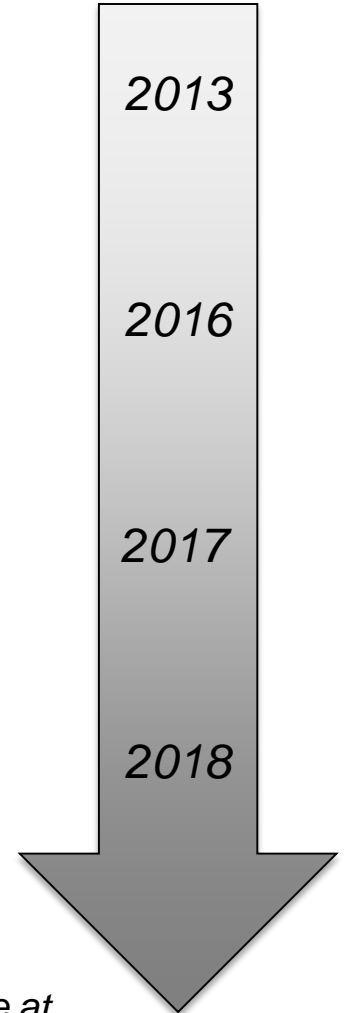
# Transportation Sector

## Summary Statistics

Industries in the Sector
Automobiles
Auto Parts
Car Rental & Leasing
Airlines
Air Freight & Logistics
Marine Transportation
Cruise Lines
Rail Transportation
Road Transportation



### Development Timeline



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# Items for Discussion

## Transportation Sector

1. Definition for independent contractors in Air Freight & Logistics
2. Revision from serious marine incidents to marine casualties in Marine

## Transportation and Cruise Lines

3. Revision from renewable fuel to alternative fuel and sustainable fuel in Airlines  
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# Sustainability Accounting Standards Board

Public Board Meeting Services Sector Discussion

*July 11, 2018*

# Items for Discussion

## Services Sector

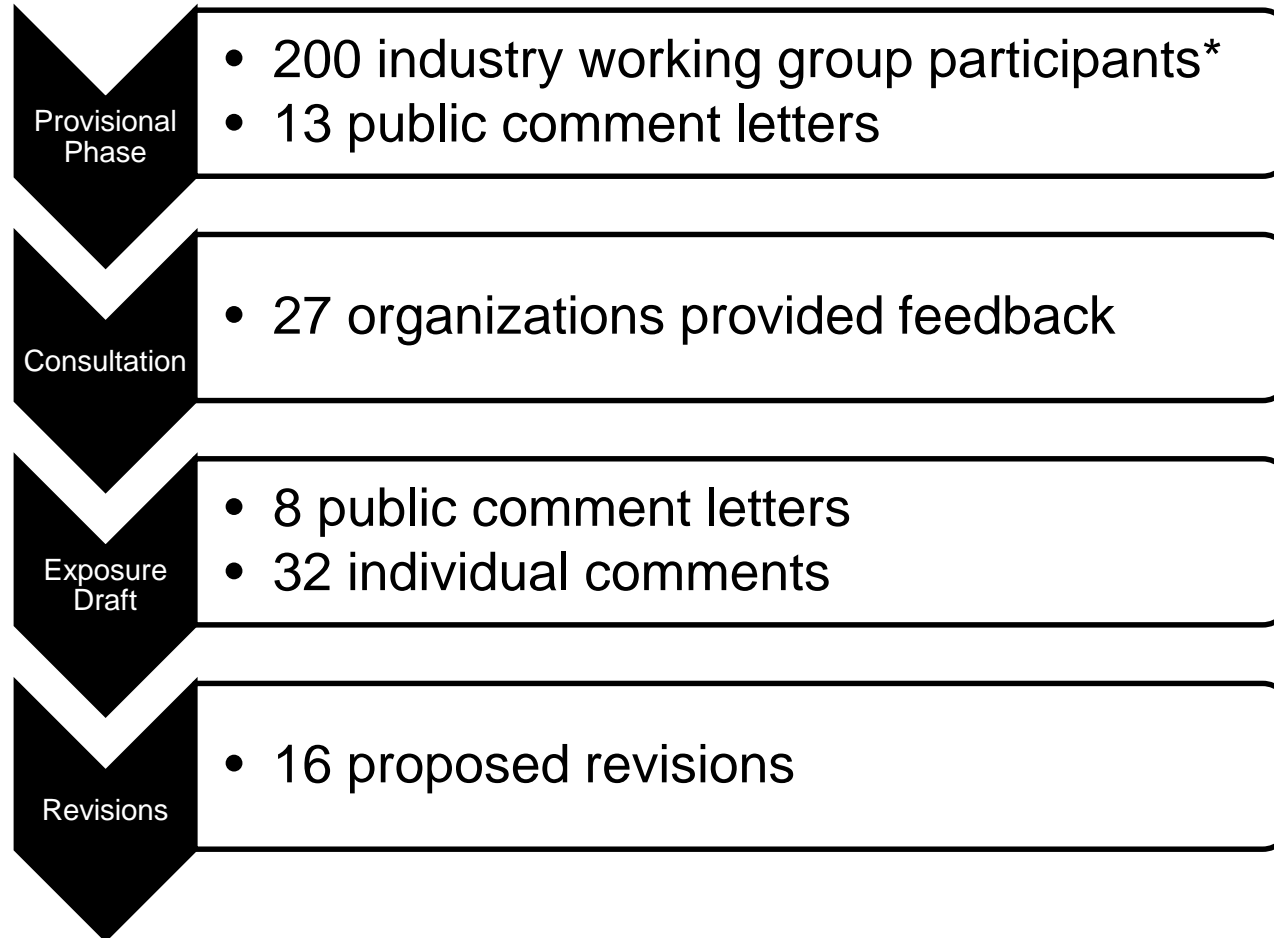
1. SASB approach to racial/ethnic group representation in diversity metric in multiple industries
2. Appropriate geographic divisions for activity metric on media recipients in Media & Entertainment



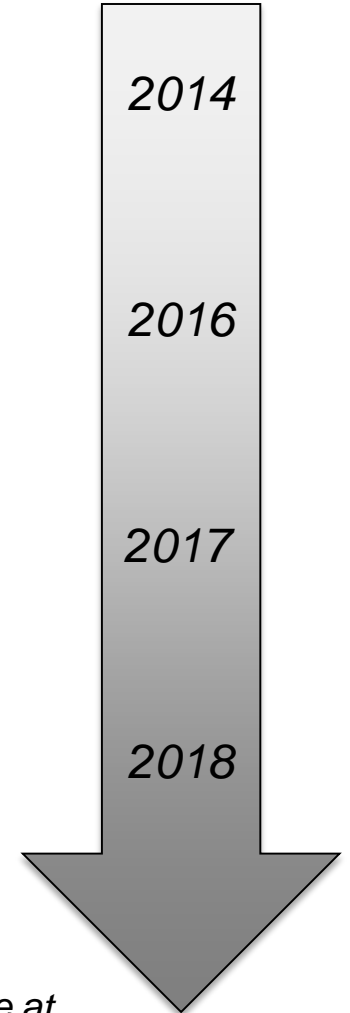
# Services Sector

## Summary Statistics

Industries in the Sector
Education
Professional & Commercial Services
Hotels & Lodging
Casinos & Gaming
Leisure Facilities
Advertising & Marketing
Media & Entertainment



### Development Timeline



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# Items for Discussion

## Services Sector

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**Accounting for a  
Sustainable Future**