



Sustainability Accounting Standards Board

Standards Board Meeting, Quarter 4, 2019, Public Meeting

Wednesday, December 4, 2019

Dec. 4, 2019 Standards Board Meeting

Agenda Overview



Dec. 4, 2019 Standards Board Meeting

Objectives for Today's Meeting

1. **New project proposals – seek Standards Board approval**
2. **Current projects – status updates**
3. **Agenda planning & schedule**



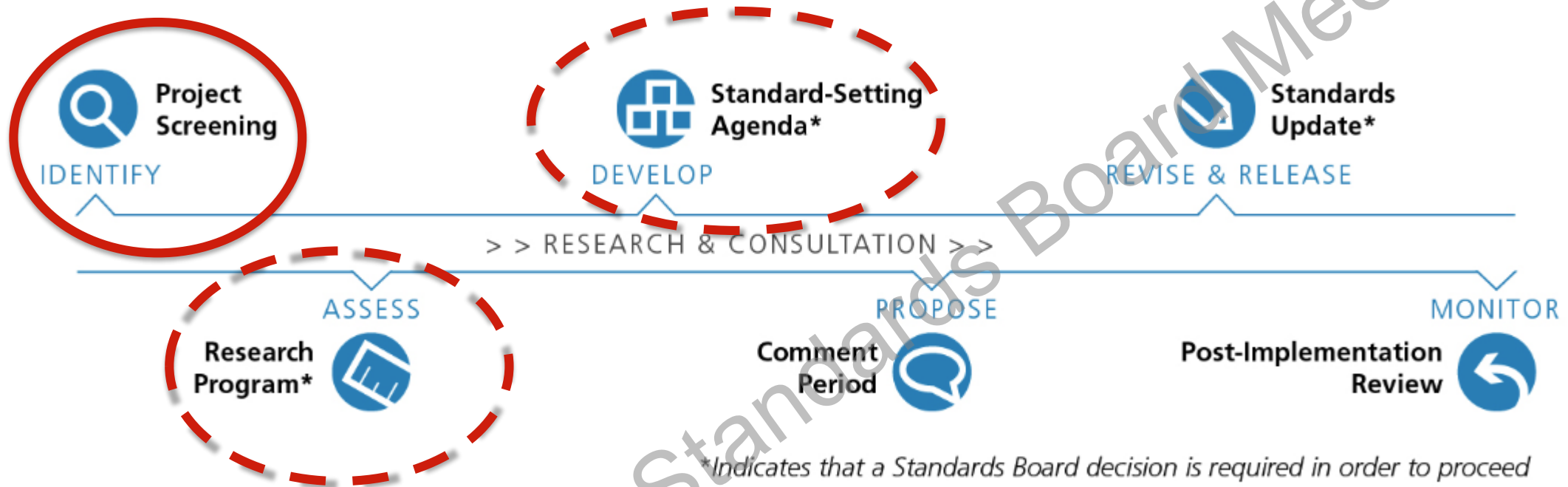
Agenda

Public Meeting		
Time	Agenda Item	Discussion Leader
1:15pm – 1:30pm	Welcome & Agenda Overview	Jeff Hales
1:30pm – 2:45pm	Research Project Proposals* <ul style="list-style-type: none"> - Content Moderation on Internet Platforms - Plastics Risks and Opportunities in Pulp & Paper Products and Chemicals Industries 	Greg Waters, Gail Glazerman
2:45pm – 3:15pm	Break	
3:15pm – 4:15pm	Standard-Setting Project Proposals* <ul style="list-style-type: none"> - Systemic Risk in Asset Management - Tailings Management in Extractives 	Anton Gorodniuk, Ekaterina Hardin
4:15pm – 5:00pm	Project Status Updates <ul style="list-style-type: none"> - Human Capital Research Project - Rules of Procedure Project - Conceptual Framework Project 	Kelli Okuji Wilson, Shivani Kuckreja
5:00pm – 5:30pm	Agenda Planning	Jeff Hales, Bryan Esterly, and David Parham

**Decision-making session*

For public meeting materials visit the [Standards Board Meeting Calendar & Archive page](#). The meeting recording and outcomes will be posted on the same page after the meeting.

Standard-Setting Process Overview



Project screening – input from:

- Market & public engagement
- Standards Advisory Group
- Standards Board
- Staff research

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Research Program – objective:

Conduct research and obtain market input to determine if standard setting should be pursued (meets four criteria)

2

Standard-Setting Agenda:

- Project determined to meet four criteria
- Prioritization informed by agenda priorities (Sept. 2019 meeting)
- Initiates standard-setting process

Criteria for Standard-Setting Projects (Agenda)

Mission alignment

- ▶ Is there an opportunity to significantly improve communication by companies to investors of decision-useful sustainability information

Scope/prevalence

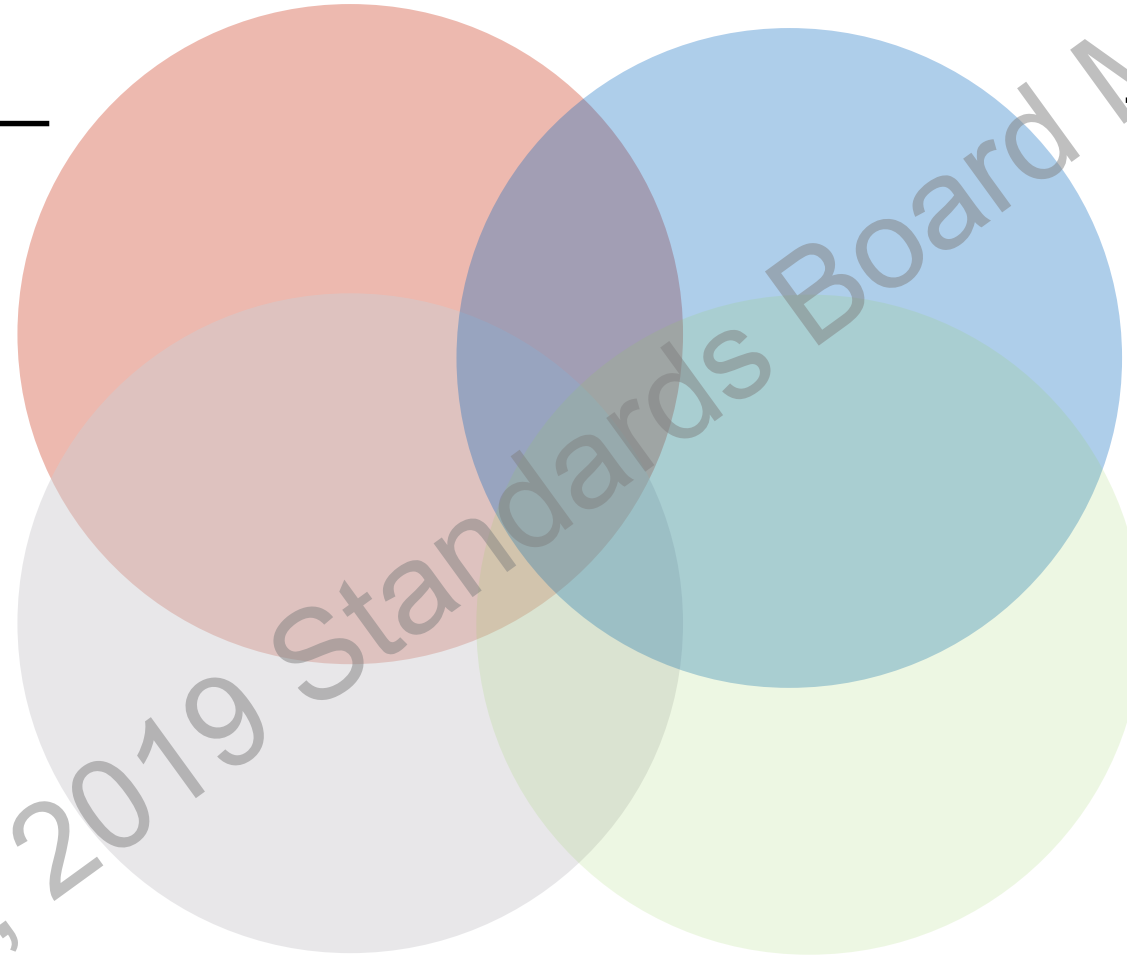
- ▶ Is the issue pervasive, including scope of industries or geographies impacted.

Capacity












- ▶ Does Staff (and the Board) have sufficient capacity to formally address the issue; and does the issue warrant prioritization of resources over alternatives.

Feasibility

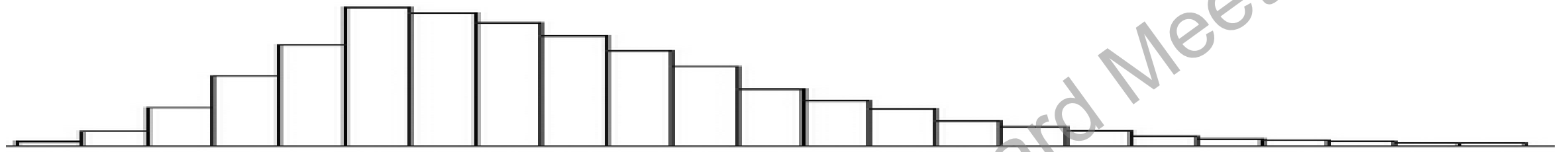
- ▶ What is the likelihood that there would be a proposed solution to put to the Board in a timely fashion.



Agenda Prioritization

-  1. Governance Documents
-  2. Thematic Issue – materiality
-  3. Thematic Issue – measurement
-  4. Industry Standard: reevaluating existing content – materiality
-  5. Industry Standard: reevaluating existing content – measurement
-  6. Industry Standard: evaluating new or emerging issues
-  7. Industry scope and structure issues, including new industry standards
-  8. Globalization
-  9. Technical Protocol Issues
-  10. Standards Application Guidance
-  11. Alignment

Agenda Prioritization



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Research Project Proposals



- Content Moderation on Internet Platforms
- Plastics Risks and Opportunities in Pulp & Paper Products and Chemicals Industries

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Content Moderation on Internet Platforms



Dec. 4, 2019 Standards Board Meeting

Content Moderation on Internet Platforms

Executive Summary

Research Project Proposal

Problem Statement

Technology companies are grappling with how to moderate user-generated content, political ads and other third-party content hosted on their platforms. The related issues, including harassment, disinformation and human rights abuses, are not captured in SASB standards, despite being potentially large value drivers and of increasing investor interest.

Proposed Project Scope & Anticipated Course of Action












Seeking approval of a Research Project that would establish an evidence-based view of the following:

- How content moderation applies to SASB's General Issue Categories
- Industry/sector relevance
- Whether to proceed to standard setting

Criteria for Standard-Setting Project

- ✓ **Mission Alignment** - *Is there an opportunity to significantly improve communication by companies to investors of decision-useful sustainability information?*
- ? **Scope / Prevalence** – *Is the issue pervasive, including scope of industries or geographies impacted?*
- ✓ **Capacity** – *Does Staff (and the Board) have sufficient capacity to formally address the issue; and does the issue warrant prioritization of resources over alternatives.*
- ✓ **Feasibility** – *What is the likelihood that there would be a proposed solution to put to the Board in a timely fashion.*

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Many Platforms Rely on Scale to Create Value

User-Generated Content



- 720,000 hours of content uploaded daily
- 250 million hours of video watched daily



- 1.6 billion daily active users on core FB app
- 2.2 billion DAUs across all services (including Instagram, WhatsApp)



- 145 million DAUs
- 500 million+ tweets per day

Business Model

- Users access products & services (search, social media etc.)
- Platforms deliver targeted ads based on user data
- Key financial drivers:
 - **DAUs** (Daily Active Users)
 - User **engagement** (time spent on the platform)

Sources: Company earnings call transcripts; Omnicore, tubefilter.com
DAU figures reported for Q3 2019

But this Scale (and complexity) Creates Externalities

Harmful Content

- “Borderline” content can be the most engaging
 - Fake news
 - Conspiracy theories
 - Inflammatory/false campaign ads
- Instances of hate speech boiling over into physical violence
- Terrorist propaganda
- Child exploitation
- Bullying and abuse



Content Removal



- 9 million videos and 537 million comments removed in Q2 2019
- Leading causes of removal: spam/misleading content, nudity/sex, child safety



- Q3 2019: 40 million+ items “actioned”; 1.7 billion fake accounts disabled
- Leading causes of removal: spam, graphic violence, adult nudity, child nudity/exploitation



- 11 million accounts reported in 1H 2019
- 1 million + accounts “actioned”
- Hateful conduct and abuse the most reported behavior

Emerging Moderation KPIs:
Content Removed (#), Proactive Rate (%)

A Sampling of Corporate Disclosures Affirms Financial Relevance

Channels of Financial Impact

Revenue

- Loss of users
- Loss of advertisers due to brand safety concerns

Cost

- Increased headcount (employees and contractors) to review content and enforce policies
- Potential increased compliance cost associated with regulations addressing platform liability

CapEx

- Significant investments in AI/ML technologies that flag harmful content before it is viewed and spread

Source: 10-K Risk Factor Disclosures of Facebook, Alphabet & Twitter

...and Analysts are Paying Attention



"There has been a decent amount in the press about children's safety on YouTube. And I'd be curious to hear for advertisers and parents on the call, **what steps have you taken to really make sure that YouTube is safe for kids?**"

-Brian Nowak, Morgan Stanley, Alphabet Q2 2019 Earnings Call



"Can you talk about **how you'd characterize your success so far in improving safety and security?** And do you think that you've turned the corner on health work from weighing on user growth to now helping actually drive user growth?"

-Doug Anmuth, JP Morgan, Twitter Q2 2019 Earnings Call



"How close are you in terms of the ability to prevent harmful posts or videos from reaching users on a **real-time basis** and how much of this can realistically be done today using AI versus more manual processes?"

-Colin Sebastian, Baird, Facebook Q1 2019 Earnings Call

Key questions to help assess Scope & Prevalence

Additional research is required to move beyond the platforms outlined here

How do themes related to user-generated content fit into SASB's framework?

- "Taxonomy" of various content moderation issues
- Understanding amount of overlap/distinction between election interference, terrorist propaganda, abuse/harassment, etc.
- General Issue Category level
- Customer Welfare, Product Safety, Human Rights, Worker Health & Safety

Which companies currently host user-generated content?

- Verticals to explore include:
 - Social media platforms
 - Web infrastructure
 - Cloud-based file sharing
- Review of alignment with SASB SICs industries

Which content moderation issues are a priority for companies and investors?

- Insights around information currently collected and reported
- Deeper understanding of investor interest and approach to risk assessment

Project Outcomes

- Where content moderation fits in SASB General Issue Categories
- Applicable SICs industries and potential Disclosure Topics
- Recommendation for Standard-Setting Project(s)

Content Moderation on Internet Platforms

Recommendation / Discussion Questions

Research Project Proposal

Problem Statement

Technology companies are grappling with how to moderate user-generated content, political ads and other third-party content hosted on their platforms. The related issues, including harassment, disinformation and human rights abuses, are not captured in SASB standards, despite being potentially large value drivers and of increasing investor interest.

Recommendation & Discussion Questions

SASB Staff recommends that the Standards Board approve a Research Project on this subject.

Do you agree that this project meets the Mission Alignment and Feasibility criteria?

Do you agree that Scope/Prevalence is the right area for the project to focus on?

- Defining the issue through the lens of General Issue Categories
- This project may only apply to a handful of companies

Do you agree that this should move forward as a Research Project?

Appendix



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Content Moderation Has a Lot of Promise as a SASB Disclosure Topic

Alignment with Principles for Topic Selection

Principle	Analysis
Potential to Impact Corporate Value	<ul style="list-style-type: none">• Potential for direct financial impact<ul style="list-style-type: none">• Loss of users, brand safety concerns of advertisers, cost of content review, capex• Potential loss of license to operate through regulatory actions
Of Interest to Investors	<ul style="list-style-type: none">• Direct financial impact & risk• Platform liability is a subject of legislative debate (Section 230 in US, EU DSM initiative)• Industry norms: transparency reports are being produced by several companies• Clear area of stakeholder concern (media, NGOs)
Relevant Across an Industry	<ul style="list-style-type: none">• Biggest problem with this as a potential standalone topic• Not just the mega platforms: see Cloudflare's blocking of 8chan after El Paso shooting
Actionable by Companies	<ul style="list-style-type: none">• Platforms are actively policing user generated content and can develop strategies to mitigate risk (e.g. banning political ads, removing controversial users)
Reflective of Stakeholder Consensus	<ul style="list-style-type: none">• Further research and input needed

Potentially Relevant SASB General Issue Categories

Human Rights & Community Relations

This category addresses management of the relationship between business and the communities in which they operate, including, but not limited to, management of direct and indirect impacts on core human rights and the treatment of indigenous peoples.

Product Quality & Safety

This category addresses issues involving unintended characteristics of products sold or services provided that may create health or safety risks to end-users... It includes, but is not limited to, issues involving liability, management of recalls and market withdrawals, product testing, and chemicals/content/ingredient management in products.

Customer Welfare

This category addresses customer welfare concerns over issues including, but not limited to, health and nutrition of foods and beverages, antibiotic use in animal production, and management of controlled substances. The category addresses the company's ability to provide consumers with manufactured products and services that are aligned with societal expectations.

Employee Health & Safety

This category addresses a company's ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities, and illness... the category further captures how companies ensure physical and mental health of workforce through technology, training, corporate culture, regulatory compliance, monitoring and testing.

SASB's Internet Media & Services Standard Comes Closest to Capturing Relevant Risks

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Data Privacy, Advertising Standards & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and Analysis	n/a	TC-IM-220a.1
	Number of users whose information is used for secondary purposes	Quantitative	Number	TC-IM-220a.2
	Total amount of monetary losses as a result of legal proceedings associated with user privacy ²	Quantitative	Reporting currency	TC-IM-220a.3
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Quantitative	Number, Percentage (%)	TC-IM-220a.4
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring ³	Discussion and Analysis	n/a	TC-IM-220a.5
	Number of government requests to remove content, percentage compliance with requests	Quantitative	Number, Percentage (%)	TC-IM-220a.6

Plastics Risks and Opportunities in Pulp & Paper
Products and Chemicals Industries



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Capturing the Shift in Plastics in Pulp & Paper and Chemicals

Executive Summary

Research Project Proposal

Problem Statement

Intensifying focus on the externalities of plastics use has contributed to an escalating regulatory environment and shifting customer demand for packaging. These risks and opportunities do not appear to be fully captured in the existing Pulp & Paper and Chemicals standards, but there is reason to believe they could be deemed financially material.

Proposed Project Scope & Anticipated Course of Action

Seeking approval to initiate a research project to establish an evidenced-based view of:

- 1) if there is sufficient investor interest in adding topics associated with the risks/opportunities stemming from rising scrutiny for plastics in both Pulp & Paper and Chemicals standards.
- 2) whether to proceed as a standard-setting project, and if so, how should it be structured? For instance, given how the issue manifests in Pulp & Paper and Chemicals whether this should be pursued as a single project or two separate industry-specific projects. Given likely investor overlap and potential for joint initiatives between Paper & Chemicals it may make sense to proceed as a single project.

Criteria for Standard-Setting Project

- ? **Mission Alignment** - Is there an opportunity to significantly improve communication by companies to investors of decision-useful sustainability information?
- ✓ **Scope / Prevalence** – Is the issue pervasive, including scope of industries or geographies impacted?
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Shifting Value Chain?

Traditional
chemical
value chain



Traditional
pulp &
paper value
chain



Possible
new value
chain



Multiple Factors Contributing Changing Dynamics For Plastics Use

China

In 2018 China changed its waste (recycling) import policy creating global repercussions

Waste exports to China have plunged, causing backups domestically and directing incremental attention to single-use plastics

Consumer Sentiment

Consumer interest/focus on the impact of single-use plastics have increased, leading to changes

Catalysts include:
*A video of a turtle with a plastic straw up its nose
*Reporting on the growing Great Pacific Plastics Patch

Regulations

In response to consumer interest and challenges highlighted by China waste import restrictions, governments are increasing regulation on plastic use

*WSJ reports in 2019 alone 200 bills have been introduced in US state legislatures
*In Mar-19 the EU voted to ban 10 single-use plastics
*In Jun-19 Canada announced a single-use plastic ban for 2021

Demand

Responding to increased focus on plastics use, global consumer goods companies are committing to change packaging

400+ entities have signed on to the **New Plastics Economy** Global Commitment...to ensure all packaging will be recyclable, reusable and/or compostable (mainly by 2025)

Indication of Mounting Investor Interest in Plastics

Investors must look hard at the future of plastics

As consumers reject single-use items, the sector predicts rising demand and huge expansion

Financial Times July 15, 2019

The **Plastic Investor Working Group**, consisting of 29 global investors and convened by the UN Principles for Responsible Investment, is looking at the risks and opportunities associated with plastics.

The **Plastic Solutions Investor Alliance**, set up last year by US non-profit As You Sow, is concentrating its engagement on consumer goods companies Nestlé, Pepsi Co, Procter & Gamble and Unilever. Nearly 40 investors have signed up, including Aviva, Axa, Candriam, Hermes, the Local Authority Pension Fund Forum and Robeco.

ON BUSINESS This Proxy Season, It's Revenge of the Nurdles

These tiny plastic pellets show how companies and socially conscious investors are warily making nice
Wall Street Journal April 12, 2019

Fund managers go to war on plastic waste





Investment groups to challenge companies over packaging and recycling standards
Financial Times May 18, 2019

“Virtually no one was talking about the risks of plastic waste just a few years ago but that is changing very rapidly now,” said Sam Block, a senior ESG researcher at MSCI.

Paper Companies Exploring the Opportunity in Plastics

Creating value from renewable, reusable and fossil free materials



Innovation Platforms	Value proposition 	End markets 	Time to market 	Market Potential: Size / value 
Improved pulp properties	Increased material efficiency and performance	Specialty papers, hygiene fibre-based packaging	Continuous	2.6 Mt / 1.4 BEUR
Regenerated cellulose	Novel sustainable material from cellulose	Textile, and as film material in packaging	2020–2022	20 Mt / 35 BEUR
MFC	Increased material efficiency and performance	Specialty papers, coatings, cosmetics, and as film material in packaging	2019–2021	0.7 Mt / 1.6 BEUR
Lignin	Replace fossil-based materials	Resins and adhesives Carbon fibre Carbons for energy storage	2017–2023	1 Mt / 1.7 BEUR
Bio-based chemicals	Replace fossil-based materials for plastics	Packaging	2026–2027	2 Mt / 2.5 BEUR



Paper Companies Exploring the Opportunity in Plastics

BIOFORE CASE

UPM BioVerno naphtha – the natural solution for renewable plastic



Issue

20% of a typical carton is fossil-based plastic.

Challenge

To develop a 100% renewable* beverage carton and reduce its CO₂ footprint.

Solution

Collaborating with Dow and Elopak to convert wood-based UPM BioVerno naphtha to plastic for cartons.

Biofore Beyond Fossils

The 100% wood-based beverage carton



Chemical Companies Increasingly Active in Renewable Feedstock

BASF

- In 2017 5% of raw materials were from renewable resources



LyondellBasel

- In 2018 they began developing a bio-based feedstock
- June 2019 introduced Circulen a bio PPE and LDPE product



Dow

- Dow is able to deliver renewable low-density polyethylene (LDPE) to specific customers.
- In order to ensure the LDPE is genuinely renewable, Dow has achieved critical external certification, namely International Sustainability & Carbon Certification (ISCC) PLUS certification.



Pulp & Paper History: Bio-Based Innovation Considered, but Not Included

This issue is not currently captured at all in the Pulp & Paper standard

Issue for consideration:

With increasing scrutiny and regulation around single-use plastics, should the Pulp & Paper Products standard incorporate the topic (Business Model & Innovation):

Bio-Based Products Innovation

Background information:

In the Provisional Brief (Dec-2015) this was flagged as a possible watchlist item, noting:

- Bio-based products could provide a diversified revenue stream and have significantly higher profit margins than traditional pulp and paper.
- Companies ... are exploring the use of biobased materials as feedstocks in the production of renewable chemical, fiber, and energy products.
- The use of wood fiber has the potential to offset environmental and social impacts associated with petroleum extraction and chemical refining. As increasingly stringent regulations shape the use of petroleum products, renewable wood fiber could become an important industrial raw material

Ultimately the brief concluded: ***The market remains small today; therefore it is unlikely that companies earn significant revenues from biobased products today.***

Chemicals History: Feedstock (raw material) Management, Considered but Not Included

Issue for consideration:

Given growing attention on the use of plastics, should the Chemicals Standard include a topic regarding (Business Model & Innovation):

**Feedstock Management
(*percentage of raw materials from renewable resources*)**

Background information:

During the development of the original codified standards, the topic of feedstock management (metric '*percentage of raw materials from renewable resources*') was considered, but ultimately rejected

- Rejection appeared to be based primarily on the view that with increasing supply of natural gas, feedstock availability was unlikely to be a material issue for the chemicals industry.

Current Chemical Standard: Related Topic, but Does not Capture Spirit of Plastics Issue

Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1
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Topic Summary

As increasing resource scarcity and regulations drive the need for greater materials efficiency and lower energy consumption and emissions, the Chemicals industry stands to benefit from developing products that enhance customer efficiency. From reducing automobile emissions through materials optimization to improving the performance of building insulation, chemical industry products can enhance efficiency across a multitude of applications. Companies that develop cost-effective solutions to address customers' needs for improved efficiency can therefore benefit from increased revenues and market share, stronger competitive positioning, and enhanced brand value.

Does this capture, or can it be modified to reflect, the essence of risks and opportunities around plastics?

Capturing Shift in Plastics in Pulp & Paper and Chemicals

Recommendation / Discussion Questions

Research Project Proposal

Problem Statement

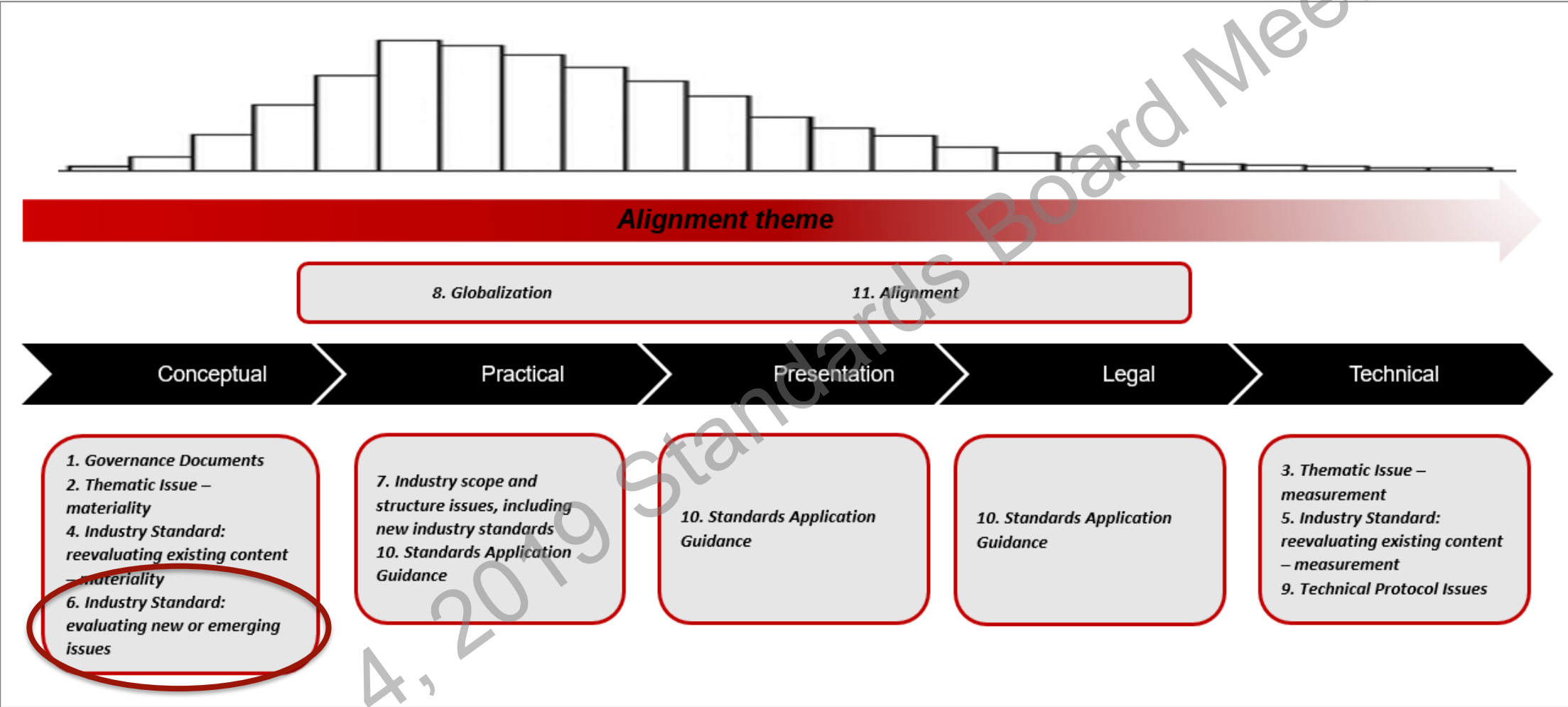
Intensifying focus on the externalities of plastics use has contributed to an escalating regulatory environment and shifting customer demand for packaging. These risks and opportunities do not appear to be fully captured in the existing Pulp & Paper and Chemicals standards but there is reason to believe they could be deemed financially material.

Recommendation / Discussion Questions

Requesting approval for a research project on this topic to gauge:

- Is there sufficient investor interest in this topic? For Pulp & Paper industry? For Chemicals industry?
- Whether to proceed as a standard-setting project and if so, with what structure? For example, considerations of how the issue manifests in the Pulp & Paper Products industry versus the Chemicals industry and whether standard setting should be pursued as a combined project or two separate projects.

Standard-Setting Project in the Context of Agenda Prioritization



Break until 3:15pm ET



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Standard-Setting Project Proposals



- Systemic Risk in Asset Management
- Tailings Management in Extractives

Dec. 4, 2019 Standards Board Meeting

Systemic Risk in Asset Management



Dec. 4, 2019 Standards Board Meeting

Systemic Risk in Asset Management

Evaluate the topic's scope and corresponding accounting metrics

Standard-Setting Project Proposal

Problem Statement

Two accounting metrics under the Systemic Risk Management topic in the Asset Management industry may no longer satisfy criteria for metric selection. Additionally, emerging product trends within the industry may contribute to or result in exposure to systemic risk. Therefore, the current content of the standard is not adequately measuring performance on the topic and does not provide decision-useful information to investors.

Proposed Project Scope & Anticipated Course of Action

Option A (narrow scope): Approve a standard-setting project to evaluate removal of metric FN-AC-550a.1 and revision of metric FN-AC-550a.2. *(If necessary, a subsequent project can be pursued)*

Option B (broad scope): Approve a standard-setting project to evaluate the scope of the Systemic Risk Management topic and corresponding accounting metrics.

Criteria for Standard-Setting Project

- ✓ **Mission Alignment** - *Is there an opportunity to significantly improve communication by companies to investors of decision-useful sustainability information?*
- ✓ **Scope / Prevalence** – *Is the issue pervasive, including scope of industries or geographies impacted?*
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Quick Overview – Systemic Risk Management

ESG rationale and presence in the standards

General Issue Category (GIC): Systemic Risk Management

The category captures the company's ability to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry.

The issues under the GIC appears in 5 out of 7 industries in the sector

Systemic Risk Management disclosure topic appears in 4 industries in the sector

Accounting metrics covered by the proposal appear in only 1 industry

Asset managers and custodian banks have the potential to pose, amplify, or transmit a threat to the financial system. Liquidity, leverage, and interconnectedness of assets under management are the factors that highlight exposure to systemic risk for companies in the industry.

Historical Context

How did we get where we are now?

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:

- FN-AC-550a.1 – Percentage of open-end fund assets under management by category of liquidity classification
- FN-AC-550a.2 – Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management

RATIONALE

In 2016, the SEC adopted changes “to modernize and enhance the reporting and disclosure of information by registered investment companies and to enhance liquidity risk management by open-end funds, including mutual funds and exchange-traded funds (ETFs).”

MARKET INPUT

Investors stated that metrics measuring liquidity, leverage, and interconnectedness through security lending are applicable. Some of the largest companies stated that the provisional metrics were not relevant and that the revision is reasonable, as liquidity, leverage, and interconnectedness are the main pillars of the systemic risk for asset managers. Analysis of SEC filings shows that asset management firms discuss the recent SEC proposals on liquidity of open-ended funds.

Current standards content presents adoption barriers

Market has expressed concerns on SASB's current approach

MARKET INDICATORS

All 4 SASB reporters involved in the Asset Management industry have not referenced metrics FN-AC-550a.1 and FN-AC-550a.2 under the Systemic Risk Management topic

A major company in the industry expressed concerns about the standard due to our approach to capturing performance on the Systemic Risk Management topic

MARKET INPUT

An entity provided constructive feedback with respect to indicators under the Systemic Risk Management topic citing most recent regulatory developments

Current approach is no longer aligned with regulatory environment

Regulatory proposals moving to activities-based approach

Topic narrative at codification

A MIX OF A RULES-BASED AND ACTIVITIES-BASED APPROACHES

Rules-Based

Risk of SIFI resignation → materiality rationale

October 2016: SEC Rule: classify and report investments by their liquidity categories

Activities-Based

Total exposure to securities financing transactions

Net exposure to written credit derivatives

Regulatory changes since codification

~~Rules-Based~~

September 2018: SEC rescinds fund liquidity disclosure requirement

October 2018: Financial Stability Oversight Council (FSOC) rescinds last nonbank SIFI designation

Activities-Based

March 2019: FSOC...

- **EMPHASIZES ACTIVITIES-BASED APPROACH**
- **DEEMPHASIZES RULES-BASED APPROACH**

Current metric references a rescinded rule

FN-AC-550a.1. Percentage of open-end fund assets under management by category of liquidity classification

1. The entity shall disclose the percentage of open-end fund assets under management (AUM) in (1) highly liquid investments, (2) moderately liquid investments, (3) less liquid investments, and (4) illiquid investments, as **defined by the U.S. Securities and Exchange Commission (SEC) ... in accordance to SEC Rule 22e-4, section III. C.**

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 274

[Release No. IC-33142; File No. S7-04-18]

RIN 3235-AM30

Investment Company Liquidity Disclosure

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

Effective Date: This rule is effective September 10, 2018.

September 2018: The SEC rescinded the requirement in Form N-PORT under the Investment Company Act of 1940 that funds publicly disclose aggregate liquidity classification information about their portfolios.

Opportunities for improved global applicability and decision-usefulness

FN-AC-550a.2. Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management

1. The entity shall describe its approach to incorporation of liquidity risk management programs, including **requirements set forth by SEC Rule 22e-4**, into portfolio strategy and redemption risk management.

Corporate feedback: “Many publicly traded asset managers offer mutual funds outside the US, where liquidity risk management requirements are also in place (i.e., UCITS). You may want to **consider making these questions less US-centric.**”

6. The entity shall describe its funds which are not subject to Rule 22e-4.

6.1. The entity shall describe the number of its funds that have redeem-in-kind policies and under what conditions they will be executed, in accordance with form N-1A.

Corporate feedback: Might be too specific (as well as narrow in scope to U.S. funds). Disclosure may not be asset class-neutral.

7. The entity shall describe its approach to swing pricing, in accordance with form N-CEN, including the number of funds with policies allowing swing pricing and the number of funds for each given level of maximum swing.

Corporate feedback: “This is highly fund specific and would not be feasible or useful for companies to complete for all funds. The swing pricing policies and governance are the relevant considerations.”

Emerging issues indicate potential incompleteness of the standard

Exposure to ETFs may be a decision-useful indicator to ensure completeness

As of 2019, assets invested in ETFs are at ~\$5T out of ~\$30T of the Global Equity Market and are rapidly growing.

Organizations exploring impacts of ETFs on financial markets under stressful conditions:

- The International Organization of Securities Commissions (IOSCO)
- The Financial Stability Board (FSB)
- The U.S. Securities and Exchange Commission (SEC)
- The U.S. Congressional Research Service (CRS)
- The European Systemic Risk Board (ESRB)
- Investment Industry Association of Canada

ETFs could pose a systemic risk during times of financial stress

Overarching concerns are around liquidity and collateral risk management

Summary of the rationale for the Project proposal

- Adoption indicators
- Company feedback
- Misalignment with the regulatory developments
- Decision-usefulness concerns
- Opportunities to improve global applicability
- Emerging issues indicate incompleteness of the standard's content

Proposed Project Characteristics

TIMELINE

Estimated project timeline is 9-12 months (accounts for a 90-day PCP)

RESOURCES

- Financials Sector Lead and support from an Associate Analyst
- Regular engagements with the Sector Committee throughout the project lifetime

NEXT STEPS

- Research on the state of regulatory development **globally**
- Engage companies and investors from the Financials sector Standards Advisory Group (SAG)
- Engage companies and investors outside the SAG, ensuring **global** representation

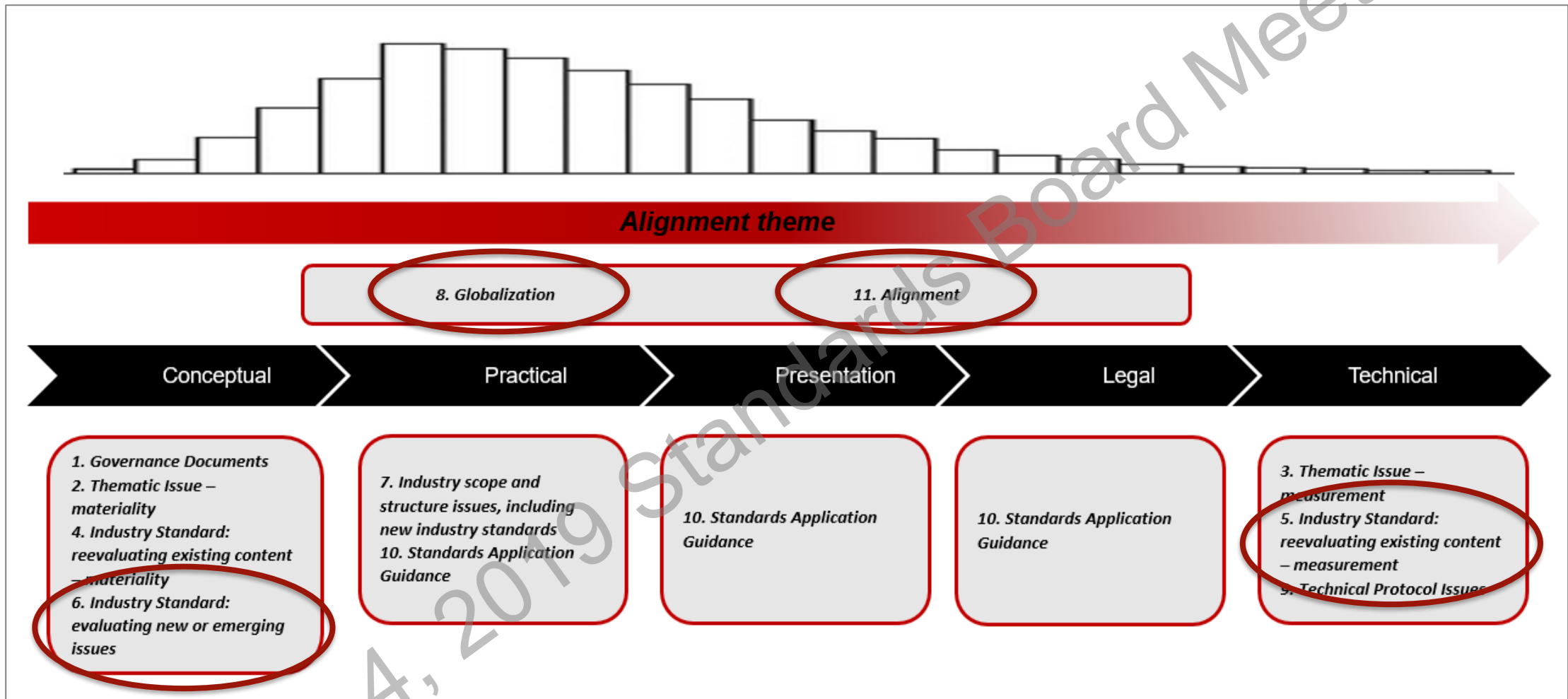
KEY AREAS OF RESEARCH

- Identify relevant activities which could contribute to or result in exposure to systemic risk
- Assess product trends which could contribute to or result in exposure to systemic risk
- Assess alternative accounting metrics against the criteria from *the SASB Conceptual Framework*

Standard-Setting Project in the Context of Agenda Prioritization

- ↑ 1. Governance Documents
- ↑ 2. Thematic Issue – materiality
- 3. Thematic Issue – measurement
- 4. Industry Standard: reevaluating existing content – materiality
- ↓ 5. Industry Standard: reevaluating existing content – measurement
- ↑ 6. Industry Standard: evaluating new or emerging issues
- 7. Industry scope and structure issues, including new industry standards
- ↑ 8. Globalization
- ↓ 9. Technical Protocol Issues
- ↓ 10. Standards Application Guidance
- ↑ 11. Alignment

Standard-Setting Project in the Context of Agenda Prioritization



Systemic Risk in the Asset Management

Evaluate the topic's scope and corresponding accounting metrics

Standard-Setting Project Proposal

Problem Statement

Two accounting metrics under the Systemic Risk Management topic in the Asset Management industry may no longer satisfy criteria for metric selection. Additionally, emerging product trends within the industry may contribute to or result in exposure to systemic risk. Therefore, the current content of the standard is not adequately measuring performance on the topic and does not provide decision-useful information to investors.

SEEKING BOARD'S INPUT ON THE OPTION PREFERENCE

Proposed Project Scope & Anticipated Course of Action

Option A (narrow scope): Approve a **standard-setting project** to evaluate removal of metric FN-AC-550a.1 and revision of metric FN-AC-550a.2. *(If necessary, a subsequent project can be pursued)*

Option B (broad scope): Approve a **standard-setting project** to evaluate the scope of the Systemic Risk Management topic and corresponding accounting metrics.

Tailings Management in Extractives



Dec. 4, 2019 Standards Board Meeting

Tailings Management in Extractives

Executive Summary

Standard-Setting Project Proposal

Problem Statement

Investor understanding of tailings risks has evolved due to recent high-profile accidents that had significant financial implications. Additionally, currently metrics that offer a measurement on performance on the topic of tailings management are US centric.

Proposed Project Scope & Anticipated Course of Action

Staff seeks approval to re-evaluate relevant standards to better serve the investor community.

The project scope includes reviewing the topic scope and corresponding metrics for two industries within the Extractives Sector – Coal Operations and Metals & Mining. The project will focus on improving global applicability and cost effectiveness of the standards and is anticipated to take approximately 6-12 months with one dedicated analyst.

Criteria for Standard-Setting Project

- ✓ **Mission Alignment** - *Is there an opportunity to significantly improve communication by companies to investors of decision-useful sustainability information?*
- ✓ **Scope / Prevalence** – *Is the issue pervasive, including scope of industries or geographies impacted?*
- ✓ **Capacity** – *Does Staff (and the Board) have sufficient capacity to formally address the issue; and does the issue warrant prioritization of resources over alternatives.*
- ✓ **Feasibility** – *What is the likelihood that there would be a proposed solution to put to the Board in a timely fashion.*

What are Tailings and What are the Risks Associated with them?

- Tailings are mining operations waste, usually stored in ponds or dams, covering large land areas.
- Impoundments for tailings present a significant threat if they collapse, potentially leading to the loss of life or damage to property and ecosystems, which bears significant financial implications.



Tailings pond in rural Utah.

Recent Catastrophic Failures of a Tailings Storage Facility

- Vale in Brazil in January 2019 released 11.7 million cubic meters of mining waste, 248 people have been confirmed dead, and 22 are missing. Vale's reported \$4.95 billion expenses related to the dam collapse and posted the company's first ever EBITDA loss.
- Samarco (JV of Vale and BHP Billiton) in Brazil in November 2015, released 50 million cubic meters of toxic iron-ore residue, killing 19 and polluting the water supply. Samarco paid \$6 billion to restore the environment and affected communities.
- Imperial Metals in August 2014 in Canada released 10 million cubic meters of water and 4.5 million cubic meters of mine waste slurry, into Polley Lake bearing \$67.4 million in remediation cost.

General Issue Category: Waste & Hazardous Materials Management

SASB Accounting Metrics

Metals & Mining

Disclosure Topic	Accounting Metric	Category	Unit of Measure
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)
	Total weight of mineral processing waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)
	Number of tailings impoundments, broken down by MSHA hazard potential	Quantitative	Number

Areas of Financial Impact:

- Revenue
- Operational Cost
- Capital Expenditures
- Liabilities

Coal Operation

Disclosure Topic	Accounting Metric	Category	Unit of Measure
Waste Management	Number of tailings impoundments, broken down by MSHA hazard potential	Quantitative	Number

Market Indicators: Increased Investor Interest

I. Increased Investor Interest and Understanding of Risks around Tailings Storage Facilities

- Following the 2019 Vale catastrophe, the Church of England Pensions Board and the Swedish Council of Ethics of the AP Funds established the **Investor Mining & Tailings Safety Initiative** (currently \$13 trillion assets under management).
- The Initiative wrote to 726 extractive companies (BHP, Rio Tinto, Anglo American, Glencore and Vale) seeking enhanced disclosure on the management of tailings storage facilities.

Market Indicators: Industry Response

II. Industry initiative

- The International Council on Mining and Minerals (ICMM), the United Nations Environment Programme (UNEP), and the Principles for Responsible Investment (PRI) established **The Global Tailings Review**.
- On November 16, 2019, The Global Tailings Review published a draft standard that aims to improve performance and demonstrate transparency of tailings facilities management.

Market Indicators: Evolution of Disclosure

III. Corporates Response

- As of 30th October 2019, 57% of companies have not responded.
- The set of questions that investors are asking is much broader than what SASB currently covers in corresponding industry standards.

Sample of Investor Questions vs SASB Metrics

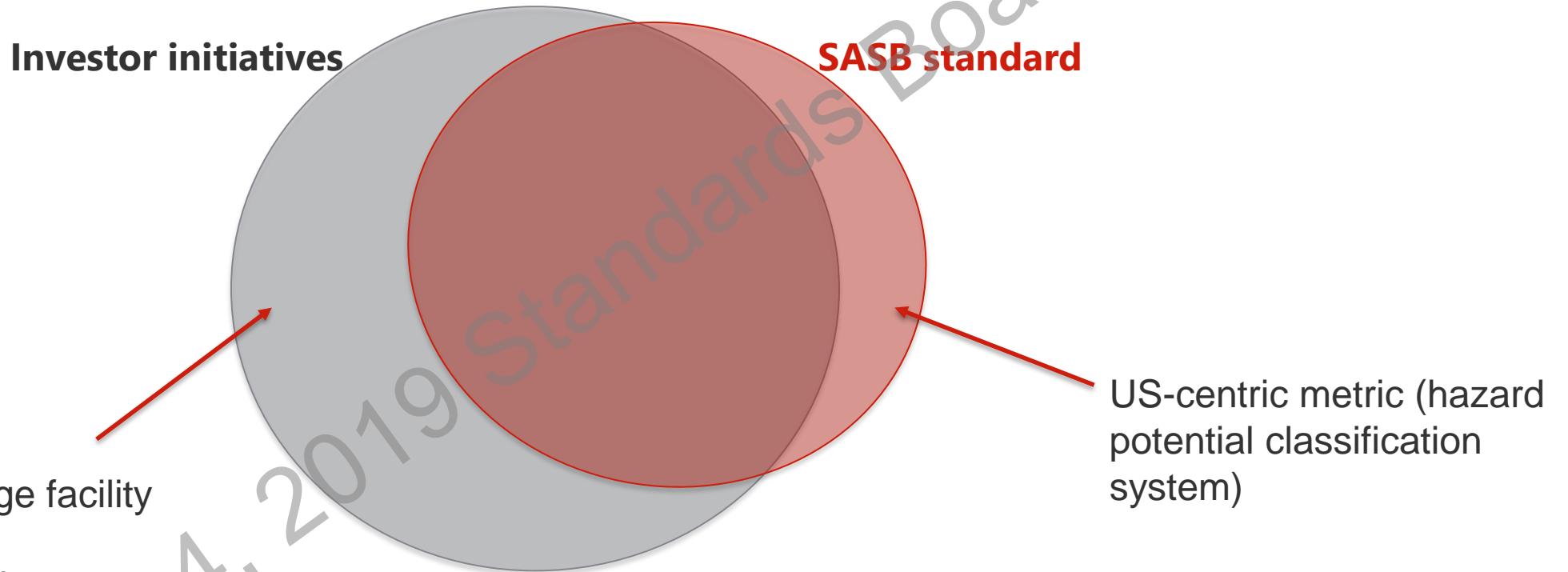
<p>16. Do you have internal/in house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?</p>	<p>Note: Answers may be "Both".</p>
<p>17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of catastrophic failure been undertaken and to reflect final conditions? If so, when did this assessment take place?</p>	<p>Note: Please answer 'yes' or 'no', and if 'yes', provide a date.</p> <p style="text-align: center; color: red; font-size: 2em;">?</p>
<p>18. Is there a) a closure plan in place for this dam, and b) does it include long term monitoring?</p>	<p>Please answer both parts of this question (e.g. Yes and Yes)</p>
<p>19. Have you, or do you plan to assess your tailings facilities against the impact of more regular extreme weather events as a result of climate change, e.g. over the next two years?</p>	<p>(Yes or No)</p>
<p>20. Any other relevant information and supporting documentation.</p> <p>Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.</p>	<p>Note: this may include links to annual report disclosures, further information in the public domain, guidelines or reports etc.</p>

Disclosure Topic	Accounting Metric	Category	Unit of Measure
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)
	Total weight of mineral processing waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)
	Number of tailings impoundments, broken down by MSHA hazard potential	Quantitative	Number

Do we provide the best set of information?



Why Evaluate the Scope of the SASB Topic in this Project?














- Tailings storage facility management
- Volume of tailings

Significant Developments Signal Need for Standards-Setting Project

John Howchin, Secretary General of the Council on Ethics of the Swedish National Pension Funds and Co-Lead of the Mining & Tailings Safety Initiative, commented:

“Even with these disclosures we still do not have the full picture. Whilst many of the major mining companies have responded to our request, just over half are yet to disclose to us. Investors will be re-doubling our efforts and allocating lead engagers to those companies and using the stewardship tools available to us to secure these disclosures. There is simply no excuse to not **disclose on a material risk, that** as owners of these companies, **we need to urgently understand.** It is clear that investors’ patience with non-disclosing companies will not remain for much longer.”

Agenda Prioritization

-  1. **Governance Documents**
-  2. Thematic Issue – materiality
-  3. Thematic Issue – measurement
-  4. Industry Standard: reevaluating existing content – materiality
-  5. **Industry Standard: reevaluating existing content – measurement**
-  6. Industry Standard: evaluating new or emerging issues
-  7. Industry scope and structure issues, including new industry standards
-  8. **Globalization**
-  9. Technical Protocol Issues
-  10. Standards Application Guidance
-  11. **Alignment**

Project Plan

Schedule & Resource Allocation

- Executed in two parts:
 - First part (6-8 months) to develop and evaluate alternatives for standards revision.
 - Second part to prioritize and select alternatives to carry forward (3-6 months) with Board's approval.
 - Project execution will be partially subject to Investor Mining & Tailings Safety Initiative and Global Tailings Review initiatives.
- Staff can confidently assert that we can move on with the standard setting project
 - Project Aligns with the SASB mission and seems feasible

Tailings Management in Extractives

Recommendation / Discussion Questions

Standard-setting Project Proposal

Problem Statement

Investor understanding of tailings risks has evolved due to recent high-profile accidents that had significant financial implications.

Additionally, currently metrics that offer a measurement on performance on the topic of tailings management are US centric.

Recommendation / Discussion Questions

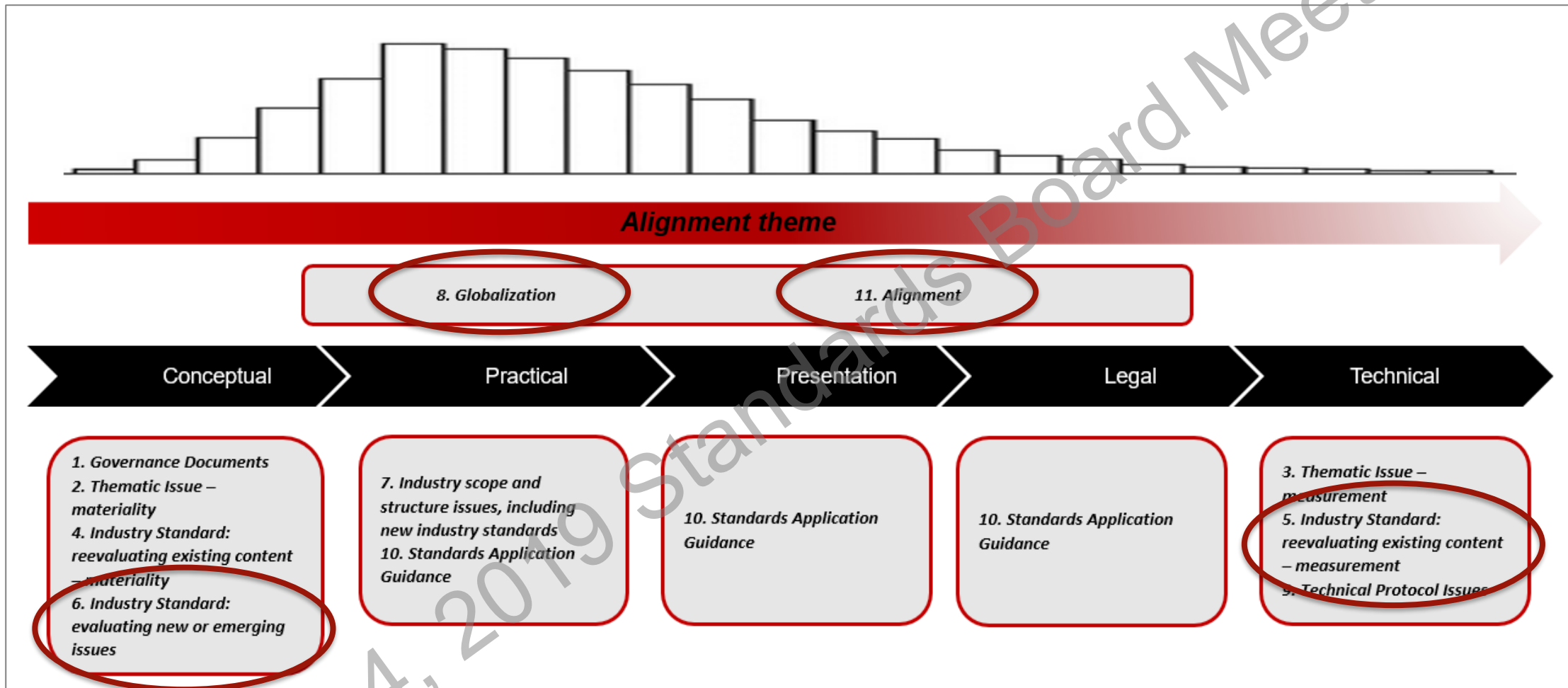
Staff seeks approval to proceed with the project of Tailings Management in Extractives to evaluate improvement to the relevant standards to better serve the investor community.

Appendix



Dec. 4, 2019 Standards Board Meeting

Standards-Setting Project in the Context of Agenda Prioritization



Project Status Updates



- Human Capital Research Project
- Rules of Procedure Project
- Conceptual Framework Project

Dec. 4, 2019

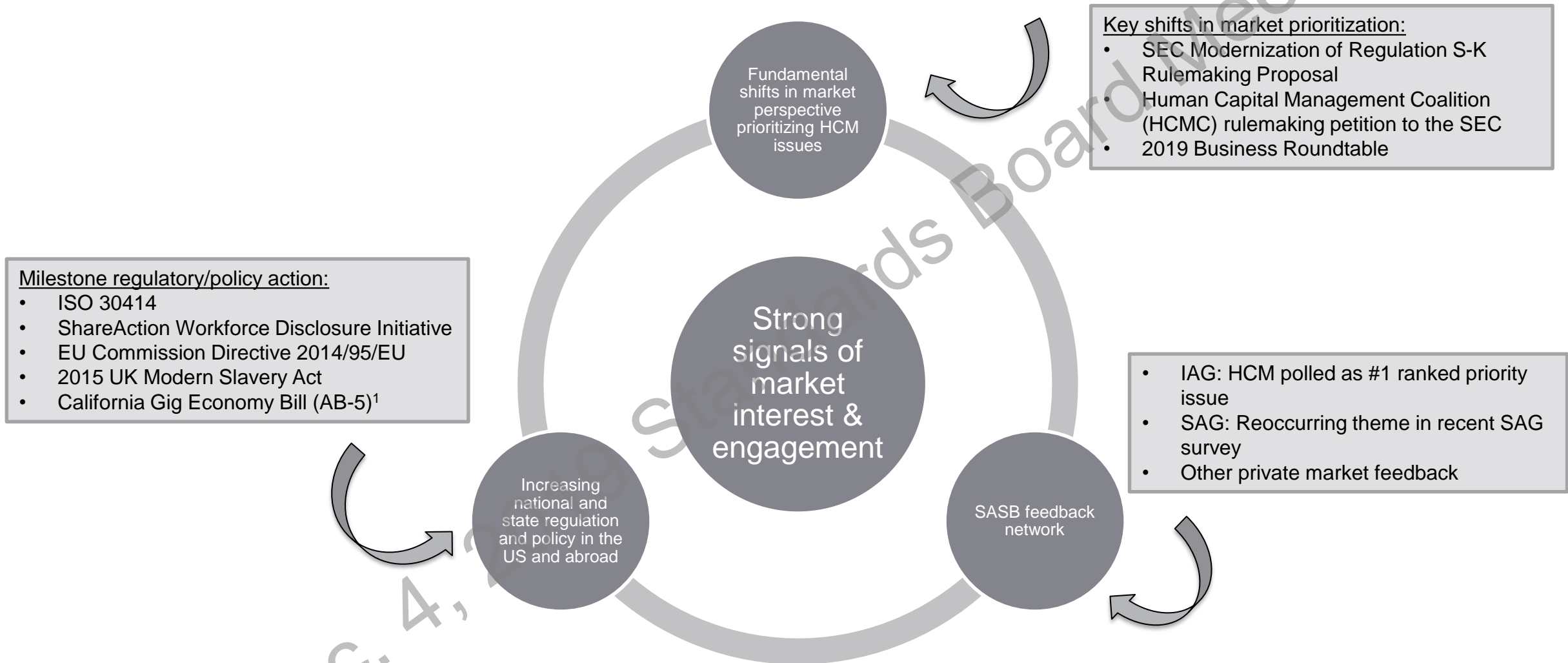
Standards Board Meeting

Human Capital Research Project



Dec. 4, 2019 Standards Board Meeting

Recap - Strong Signals of Market Interest & Engagement



¹ Passed California State Senate on September 10, 2019

Project Description, Scope, and Outcomes

Project description

- Formal research project to:
 - Assess scope & prevalence of various human capital management (HCM) themes across SASB's 77 industries
- Further develop SASB's evidenced-based, market-informed view on HCM in the SASB standards

Scope

- Scope includes:
 - Production of the framework
 - Extensive research and stakeholder outreach to investors, companies, and subject matter experts to gather evidence
- Application of the framework will enable standards-setting project(s) to drive revisions to the standards

Outcomes

- Create a market-informed and evidenced-based framework that identifies the financially material impacts of relevant human capital management issues to enable the assessment of these themes on an industry-by-industry basis

Project Plan Structure

Structure	Objective
Executive Summary	<ul style="list-style-type: none">• Project scope, objectives, and expected outcomes
Introduction	<ul style="list-style-type: none">• What is human capital?• How is human capital currently incorporated in the codified standards?• Why and where are there areas of opportunity for improvement?• What is the purpose of the framework?
Evidence – Literature Review	<ul style="list-style-type: none">• How do certain general industry characteristics tie to material financial impacts and broad human capital themes?
Evidence – Market Consultation	<ul style="list-style-type: none">• Validate, vet, and build upon Literature Review findings through market feedback
Analytical Framework	<ul style="list-style-type: none">• Preliminary development• Final development• See next slide for example
Findings/Conclusions	<ul style="list-style-type: none">• Presentation in written form (Format TBD)

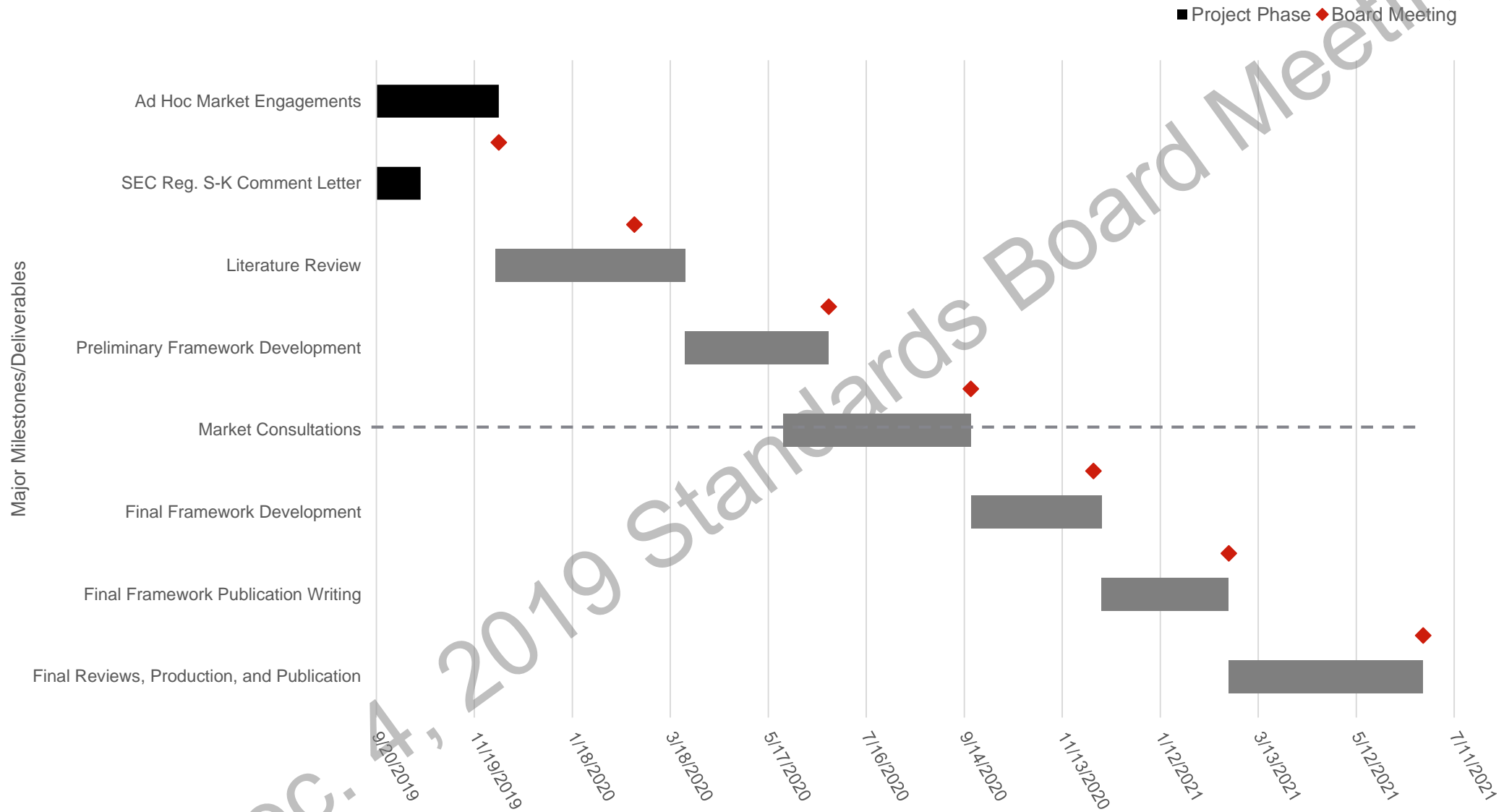
Example Framework

Human Capital – General Issue Category (GIC)	Identified Value Drivers	Potential Financial Impact
Employee Diversity, Inclusion, & Engagement	<ul style="list-style-type: none"> • Shifting demographics • Changing societal expectations of the obligations of the employer to the employee • Technology/intellectual capital 	<ul style="list-style-type: none"> • Expenses: COGs, G&A • Intangibles: R&D, Patents • Long-term assets: PP&E
Labor Practices	<ul style="list-style-type: none"> • Shifting demographics • Changing societal expectations of the obligations of the employer to the employee • Technology 	<ul style="list-style-type: none"> • Long-term liabilities: Pension liabilities
Employee Health & Safety	<ul style="list-style-type: none"> • Employee recruitment/retention • Increased regulatory oversight 	<ul style="list-style-type: none"> • Expenses: CAPEX • Long-term assets: PP&E • Contingent liabilities

Preliminary Stakeholder Engagement Plan

Phase	Stakeholder Engagement
Literature Review	<ul style="list-style-type: none">• Ad-hoc market engagements
Preliminary Framework Development	<ul style="list-style-type: none">• SASB Research Team• “Early hypothesis testers” – Members of SASB Investor Advisory Group (IAG), SASB Standards Advisory Group (SAG), and civil society organizations
Market Consultation Period	<ul style="list-style-type: none">• SASB IAG• SASB SAG• Civil society organizations, subject matter experts, additional targeted company / investor engagement
Final Framework Development	<ul style="list-style-type: none">• SASB Research Team
Conclusions/Findings Publication Writing	<ul style="list-style-type: none">• SASB Research Team• SASB Communications Team• SASB Outreach Team• SASB Development Team

Projected Timeline



SASB Comment Letter on SEC Reg. S-K Rulemaking Proposal Encourages SEC to Use SASB Standards as an Acceptable Disclosure Framework

Key takeaways

- **SASB's position:** In its final rulemaking release, the SEC should urge companies to refer to SASB standards as an acceptable disclosure framework to satisfy the rule requirements and to foster disclosure comparability and consistency on human capital management issues.
- **Current HCM disclosures are inadequate**
- **SASB's framework has distinctive characteristics:** Financially-material, decision-useful, industry-specific, and developed through due process
- **COSO is a good example of a framework with SEC backing**

Questions for Consideration

At this time, we welcome the Board's input on the following:

- Timing of the deliverables
- Board engagement at various stages of the project – Examples of valuable/invaluable use of time
- Other general concerns regarding the scope, order of operations, or stakeholder engagement areas of this project

Rules of Procedure Project



Dec. 4, 2019 Standards Board Meeting

Rules of Procedure Project: A Snapshot

Executive Summary

Status: On track

Problem Statement

SASB's Rules of Procedure document was published in February of 2017 and does not reflect SASB's updated mission statement, nor does it reflect SASB's sole focus on a project-based approach.

Project Scope & Course of Action

- 1 Reflect SASB's updated mission statement, which highlights SASB's global reach
- 2 Remove all traces of the former three-year revision cycle and expand upon details of SASB's project-based approach
- 3 Address opportunities for clarity and improvement in the Standard-setting/revising process and the communication of the Standard-setting/revising process

Key next step

Project Team to deliver a draft of the revised Rules of Procedure document to the Standards Board by mid-February 2020

Appendix



Dec. 4, 2019 Standards Board Meeting

What Has Been Accomplished

1

Perused the Rules of Procedure document with all staff members on the Project Team

2

Staff members on the Project Team compiled questions to pose to Jeff Hales and other members of the Standards Board (including those members who are on the Project Team)

3

Staff members on the Project Team discussed questions with and received helpful input from Standards Board members

4

Project Lead went through the document and attempted to revise the document based upon the Standards Board's input

5

Project Lead sent the revised document to staff members on the Project Team to peruse and revise

Next Steps

1 Staff members on the Project Team to revise the already-once-revised document

2 Standards Board members on the Project Team to review, revise with staff as appropriate, and approve

5 Standards Board to release Exposure Draft for 90-day comment period (if this step is agreed upon by relevant stakeholders)

6 Project Team to share external stakeholder comments from PCP with Standards Board (in a format deemed appropriate)

7 SASB to review responses to PCP comment letters and evaluate revisions to the Rules of Procedure document based upon stakeholder input

8 Project Team to send the “final” draft of the revised Rules of Procedure document to the Standards Board to seek Board approval

Rules of Procedure Project Team

To help with document drafting / language

Verity Chegar,
Standards Board member; Sector Chair for Extractives & Minerals Processing

Dan Goelzer,
Standards Board member; Sector Chair for Services

Anton Gorodnuik,
Lead Analyst – Financials

Jeff Hales,
Chair of the SASB Standards Board; Sector Chair for Financials and Renewable Resources & Alternative Energy

Rommie Johnson,
Communications Manager – Strategic Content Production & Marketing

Thomas Riesenberg,
Director of Legal & Regulatory Policy

Marc Siegel,
Standards Board member; Sector Chair for Resource Transformation

Sten White,
External Communications Manager

Project Manager

Shivani Kuckreja

Review Committee












SASB Standards Board

Supporting Roles

Bryan Esterly,
Director of Research – Standards

David Parham,
Director of Research – Projects

Research Agenda Prioritization

-  1. **Governance Documents**
-  2. Thematic Issue – materiality
-  3. Thematic Issue – measurement
-  4. Industry Standard: reevaluating existing content – materiality
-  5. Industry Standard: reevaluating existing content – measurement
-  6. Industry Standard: evaluating new or emerging issues
-  7. Industry scope and structure issues, including new industry standards
-  8. Globalization
-  9. Technical Protocol Issues
-  10. Standards Application Guidance
-  11. Alignment

Conceptual Framework Project



Dec. 4, 2019 Standards Board Meeting

Conceptual Framework Project: A Snapshot

Executive Summary

Problem Statement

SASB's Conceptual Framework document was published in February of 2017 and does not reflect SASB's updated mission statement, nor does not reflect SASB's global reach, and the document contains outdated assumptions, definitions, and data.

Project Scope & Course of Action

- 1 Reflect SASB's updated mission statement, which highlights SASB's global reach
- 2 Remove/modify all references to US-based regulation, as SASB operates in a global context
- 3 Update assumptions, definitions, and data cited in the document
- 4 Address opportunities for clarity and improvement in the core principles and concepts that govern the Standards

Key next step

Project Team to hold offsite to decide project scope

Appendix



Dec. 4, 2019 Standards Board Meeting

Next steps

1

Project Lead to plan Conceptual Framework Project Offsite with the help of Bryan and David

2

Project Lead to host kick-off call to introduce the upcoming Offsite and Offsite agenda

3

Host a Project Team offsite to discuss what the scope of the Conceptual Framework project should be (potential Offsite dates are being discussed and an Offsite agenda is being drafted)

4

Project Lead to go through the document and attempt to revise the document based upon the Project Team's input, specifically on project scope

5

Staff members on the Project Team to revise the Conceptual Framework document (now already-once-revised by the Project Lead)

6

Standards Board members on the Project Team to revise the document last revised by Project Team staff members

7

Jeff Hales to take a final look at the Conceptual Framework document (Project Lead to send a revised Conceptual Framework document to Jeff Hales by the end of April 2020)

Next steps (continued)

8

SASB to issue a revised Conceptual Framework Exposure draft (if this step is agreed upon by relevant stakeholders)

9

SASB to hold 90-day PCP (if this step is agreed upon by relevant stakeholders)

10

Project Team to share external stakeholder comments from PCP with Standards Board (in a format deemed appropriate)

11

SASB to issue responses to PCP comment letters and revise the Conceptual Framework document based upon compelling stakeholder input

12

Project Team to send the “final” draft of the revised Conceptual Framework document to the Standards Board to seek Board approval

Examples of High-Level Issues the Conceptual Framework Project Could Cover (in addition to its minimal scope)

- Continued clarity on the role of sustainability accounting in the capital markets
- Continued clarity and refinement of the definition of financial materiality
- Consideration around improvements to Principles for Topic Selections
- Consideration around improvements to Criteria for Accounting Metric Selection
- Continued clarity on five sustainability dimensions
- Continued clarity on General Issue Categories

Conceptual Framework Project Team

To review the drafted document & to attend the offsite

Thomas Riesenberg,
Director of Legal & Regulatory Policy

Anton Gorodnuik,
Lead Analyst – Financials

Jeff Hales,
Chair of the SASB Standards Board; Sector Chair for Financials and Renewable Resources & Alternative Energy

Marc Siegel,
Standards Board member; Sector Chair for Resource Transformation

Lloyd Kurtz,
Standards Board member; Senior Portfolio Manager, Head of Social Impact Investing, Wells Fargo Private Bank; Sector Chair for Health Care

Stephanie Tang,
Director of Legal, Corporate Securities, Stitch Fix; Sector Chair for Food & Beverage

Project Lead

Shivani Kuckreja

Review Committee












SASB Standards Board

Supporting Roles

Bryan Esterly,
Director of Research – Standards

David Parham,
Director of Research – Projects

Research Agenda Prioritization

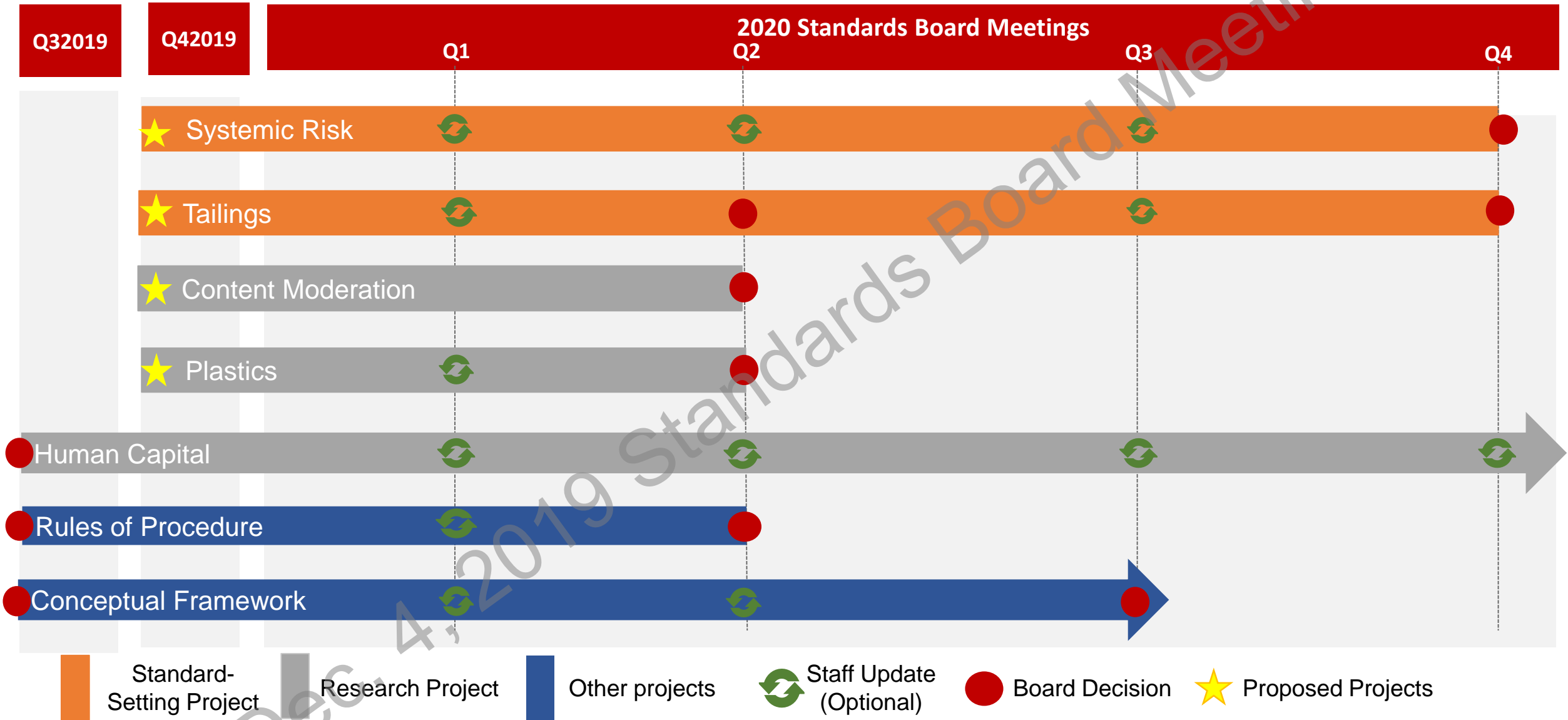
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Agenda Planning



Dec. 4, 2019 Standards Board Meeting

Project Pipeline – 2020 Project Timelines



Note: One or more standard setting projects may be proposed upon completion of a research project.

12/6/2019

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Standard-Setting Process Overview



*Indicates that a Standards Board decision is required in order to proceed

Project screening – input from:

- Market & public engagement
- Standards Advisory Group
- Standards Board
- Staff research

Example Issues in Project Screening Stage*

- Climate transition risk in Extractives, Transportation, and Infrastructure sectors
- Climate physical risk in Extractives and Infrastructure sectors
- Climate risk and opportunity in bank loan portfolios
- Scenario analysis metrics in Extractives sector
- GHG emissions in Multiline Retail and/or E-Commerce industries
- Alternative proteins in Food & Beverage sector
- Aquaculture or fishing industry standard development
- Data security metrics
- Customer privacy metrics
- Responsible use of AI and Big Data in technology
- E-Commerce industry structure
- Commercial Banks, Consumer Finance, and Investment Banks industry structure
- Apparel and textile manufacturing industry structure
- Access and affordability in Biotechnology & Pharmaceuticals industry

**Issues represent those in a staff preliminary research phase with no stated timeline on when, or if, such issues will develop into research and/or standard-setting projects or activities. SASB is receptive to unsolicited input from the public on these issues or any other issues in the SASB standards.*

2020 Standards Board Meetings*

- February 24th & 25th
- June 22nd & 23rd
- September 17th & 18th
- December – TBD

Standards Board Meeting Calendar & Archive page contains full details of meeting dates and registration links to access live stream of the public meetings. Recordings and a summary of meeting outcomes are available shortly after each meeting.

**Dates are tentative. Public Standards Board meetings are announced a minimum of 10 days prior to the meeting date.*





Accounting for a Sustainable Future

Dec. 4, 2019