
The Value Reporting Foundation

INTEGRATED
REPORTING <IR>



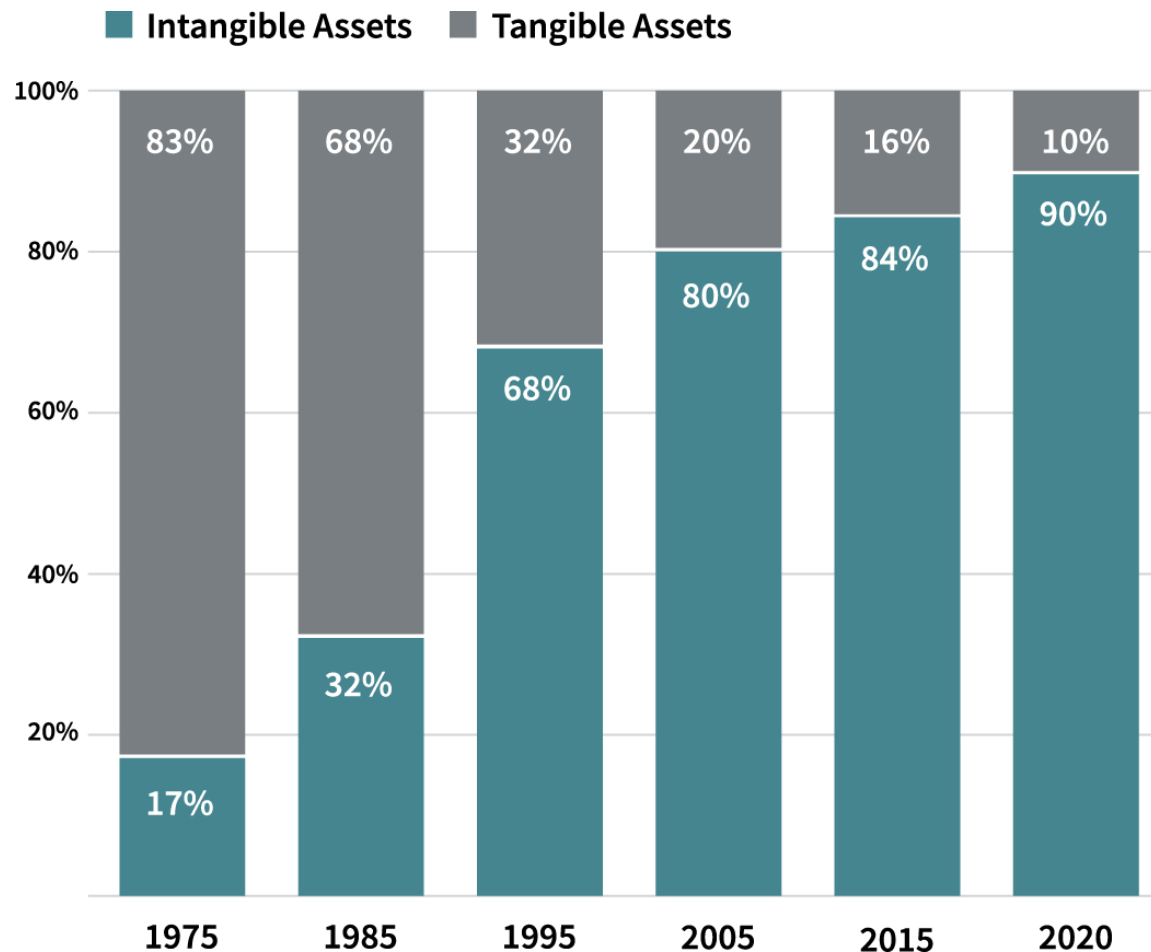
How do they work together?

International <IR> Framework and SASB Standards

Changing nature of corporate valuations

Requires a different framework for thinking about value creation

Components of S&P 500 Market Value



Source: Ocean Tomo, *Ocean Tomo's Intangible Asset Market Value Study*, November 2020.

Complementary tools for investor communications

Jointly providing a more complete picture of long term value creation, meeting investor needs for comparable, consistent, reliable information



Financial statements prepared in accordance with IFRS or US GAAP provide full or partial insight into two of the six capitals

SASB standards provide industry-specific disclosure topics and metrics for four of six capitals

The International <IR> Framework prompts thinking across the capitals, reinforcing the need for connectivity and explicit links between governance and value creation, and driving management analysis of risks, opportunities and resource allocation.

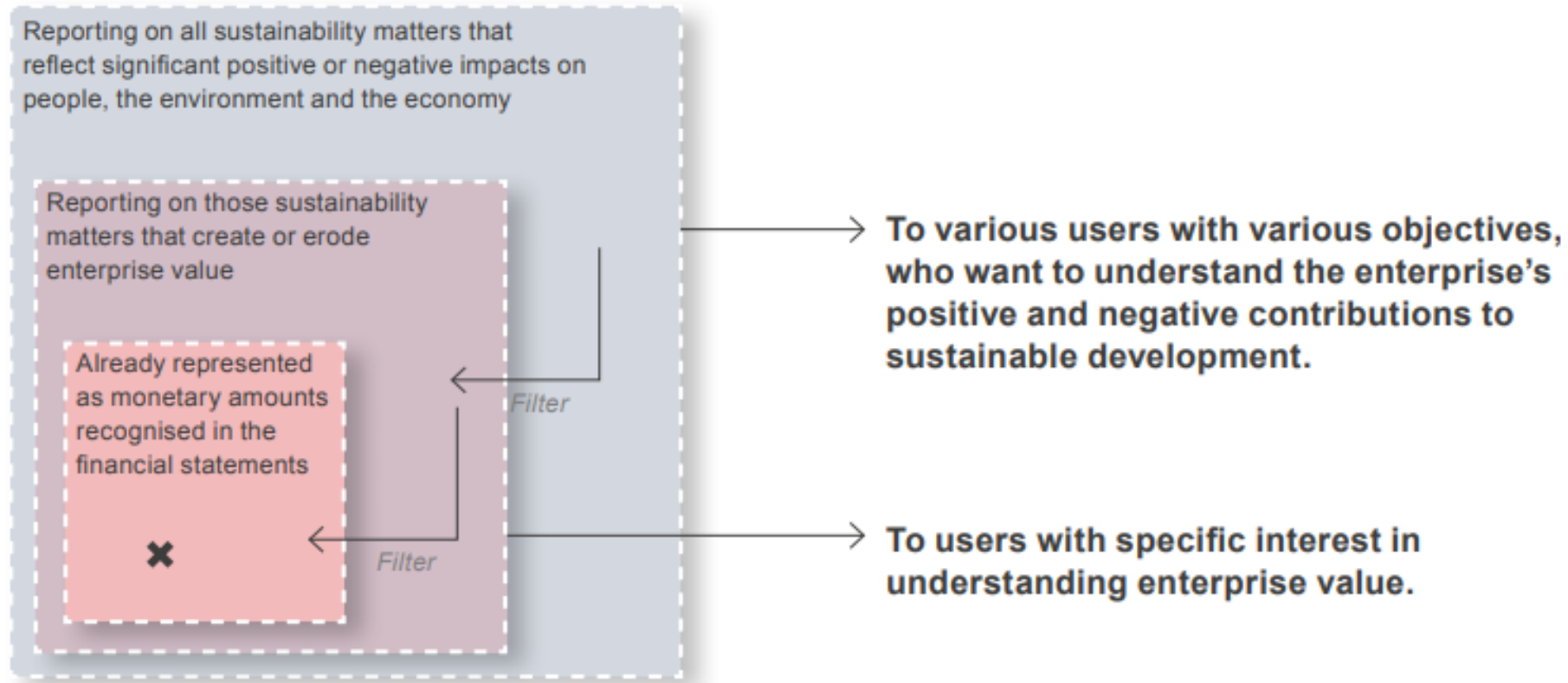
The system needs both Frameworks and Standards

The <IR> Framework and SASB Standards are complementary tools for investor-focused communications. Used together, they provide a more complete picture of long-term value creation, while meeting investor needs for comparable, consistent and reliable information.

<IR> Framework	SASB Standards
Industry-agnostic	Industry-specific
Principles-based	Metrics-based
Preparation and presentation	Standards Application Guidance
High-level content elements	Disclosure topics and metrics
Drives connectivity of information	Enables comparability of information

Corporate reporting lens

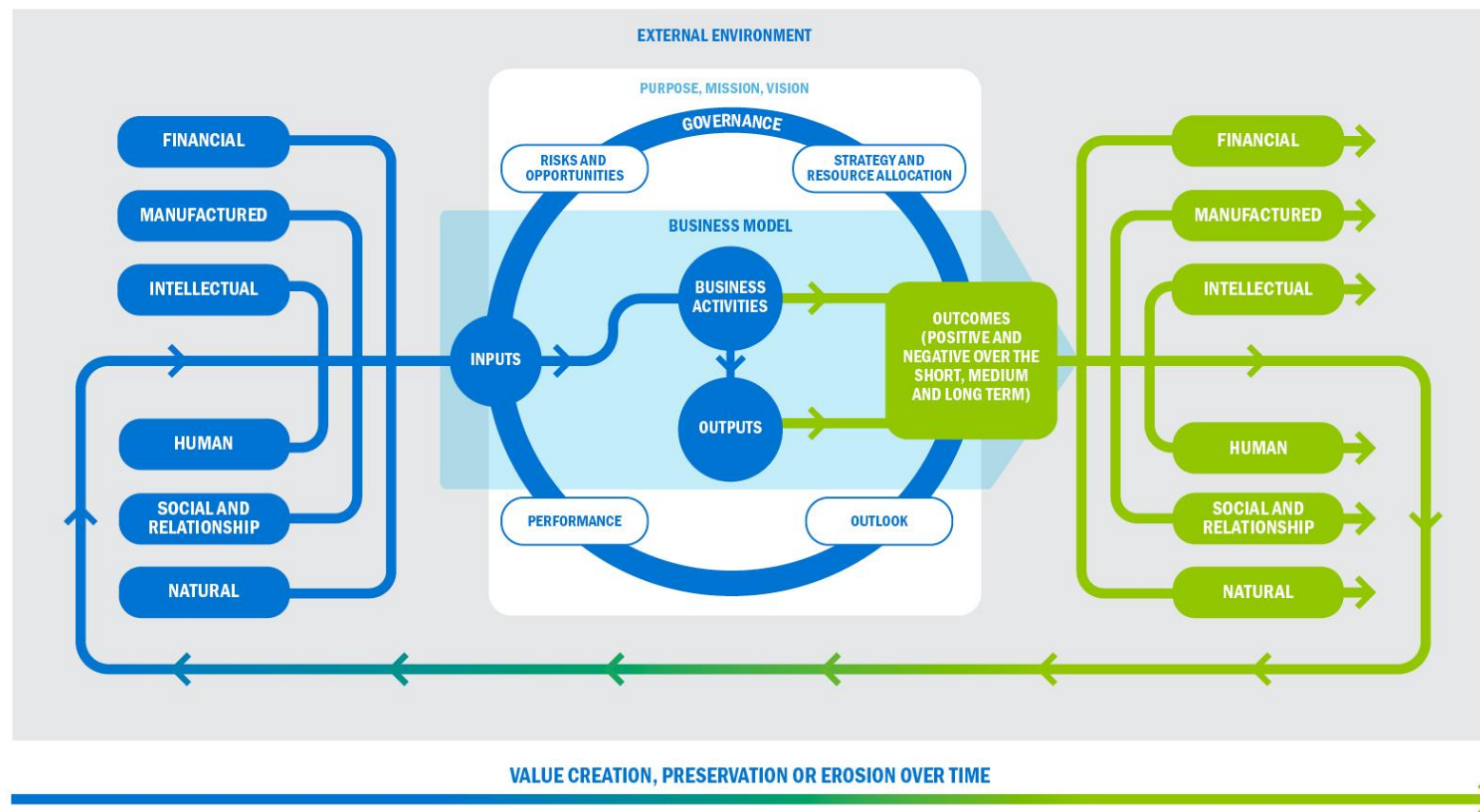
The <IR> Framework and SASB Standards focus on reporting matters that create or erode enterprise value



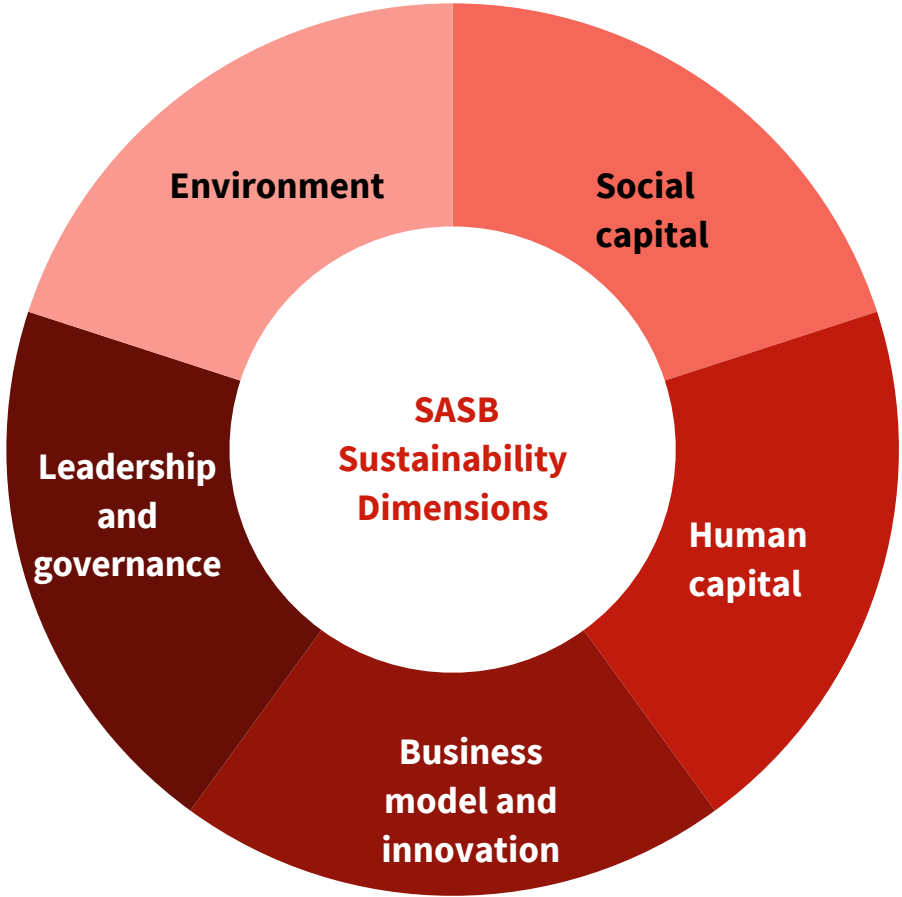
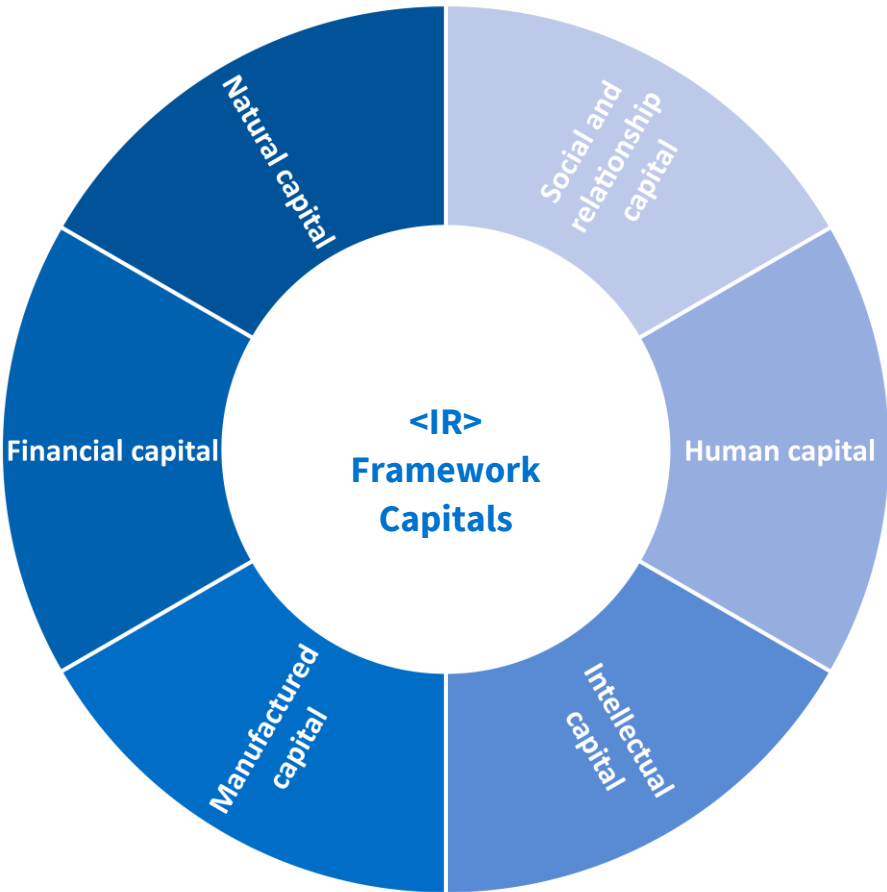
Reporting on enterprise value creation

There is already a strong synergy between the <IR> Framework, that builds connectivity across financial, manufactured, human, social/relationship, intellectual and natural capital thinking and reporting, and SASB Standards, which add comparability to non-financial data across companies within the same industry.

Figure 2. Process through which value is created, preserved or eroded



There is close alignment between the <IR> Framework capitals and SASB sustainability dimensions



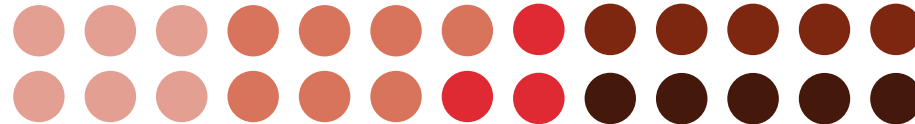
SASB enables robust integrated reporting by providing KPIs at the industry level, helping provide investors with comparability

SIX <IR> FRAMEWORK CAPITALS

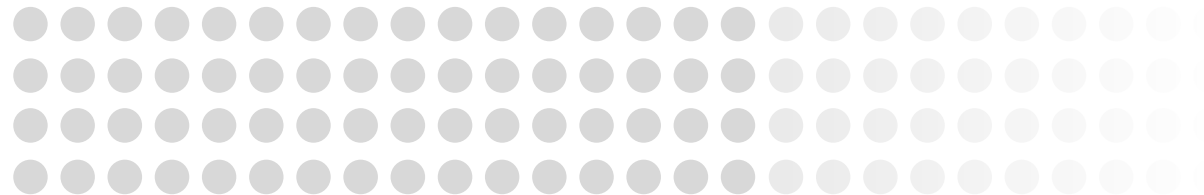


FIVE SASB SUSTAINABILITY DIMENSIONS

26 GENERAL SUSTAINABILITY ISSUES



↳ Containing 400+ Industry-Specific Disclosure Topics and related metrics



SASB Standards provide industry-specific guidance for four sustainability-related capitals

<IR> INTELLECTUAL CAPITAL

■ BUSINESS MODEL & INNOVATION

- Product Design and Lifecycle Management
- Business Model Resilience
- Materials Sourcing and Efficiency.

<IR> SOCIAL & RELATIONSHIP CAPITAL

■ SOCIAL CAPITAL

- Human Rights and Community Relations
- Customer Privacy
- Data Security
- Access and Affordability
- Product Quality and Safety
- Customer Welfare
- Selling Practices and Product Labeling

■ BUSINESS MODEL & INNOVATION

- Product Design and Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing and Efficiency
- Physical Impacts of Climate Change

■ LEADERSHIP & GOVERNANCE

- Business Ethics
- Competitive Behavior
- Management of the Legal and Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management

<IR> HUMAN CAPITAL

■ HUMAN CAPITAL

- Labor Practices
- Employee Health & Safety
- Employee Engagement, Diversity & Inclusion

■ BUSINESS MODEL & INNOVATION

- Business Model Resilience

■ LEADERSHIP & GOVERNANCE

- Business Ethics
- Competitive Behavior
- Management of the Legal and Regulatory Environment
- Systemic Risk Management

<IR> NATURAL CAPITAL

■ ENVIRONMENT

- GHG Emissions
- Air Quality
- Energy Management
- Water and Wastewater Management
- Waste and Hazardous Materials Management
- Ecological Impacts

■ BUSINESS MODEL & INNOVATION

- Product Design and Lifecycle Management
- Supply Chain Management
- Materials Sourcing and Efficiency
- Physical Impacts of Climate Change

Example: Oil & Gas – Exploration and Production



Sample Metrics:

Management of the Legal & Regulatory Environment

Metric EM-EP-530a.1: Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry, Discussion and Analysis

Community Relations

Metric EM-EP-210b.2: Number and duration of non-technical delays, Quantitative Number, Days

<IR> Capital	Relevant SASB Disclosure Topics
Intellectual	Reserves Valuation and Capital Expenditures
Social and Relationship	Community Relations* Human Rights and Rights of Indigenous* Business Ethics and Transparency* Critical Incident Management* Management of the Legal and Regulatory Environment*
Human	Workforce Health and Safety
Natural	GHG Emissions Air Quality Energy management Biodiversity Impacts

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate.

Example: Metals and Mining



Sample Metrics:

Community Relations

Metric EM-MM-210b.1: Discussion of process to manage risks and opportunities associated with community rights and interests, Discussion and Analysis

Security, Human Rights & Rights of Indigenous Peoples

Metric EM-MM-210a.2: Percentage of (1) proved and (2) probable reserves in or near indigenous land, Quantitative Percentage (%)

<IR> Capital

Relevant SASB Disclosure Topics

Intellectual

Social and Relationship

Community Relations*
Human Rights and Rights of Indigenous*
Business Ethics and Transparency*

Human

Labor Relations
Workforce Health and Safety

Natural

GHG Emissions
Air Quality
Energy Management
Water Management
Waste and Hazardous Materials Management
Biodiversity Impacts

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate

Example: Chemicals



Sample Metrics:

Genetically Modified Organisms:
Metric RT-CH-410c.1: Percentage of products by revenue that contain genetically modified organisms (GMOs).
 Quantitative. Percentage (%) by revenue

Operational Safety, Emergency Preparedness & Response
Metric RT-CH-540a.1: Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)⁴
 Quantitative Number, Rate

<IR> Capital	Relevant SASB Disclosure Topics
<h2 data-bbox="922 406 1166 449">Intellectual</h2>	<ul style="list-style-type: none"> Packaging lifecycle management Ingredient sourcing Product design for use-phase efficiency Safety & environmental stewardship of chemicals Genetically modified organisms
<h2 data-bbox="922 654 1192 753">Social and Relationship</h2>	<ul style="list-style-type: none"> Community relations* Product design for use-phase efficiency* Safety & environmental stewardship of chemicals* Genetically modified organisms* Management of the legal and regulatory environment* Operational safety, emergency preparedness and response*
<h2 data-bbox="922 878 1082 921">Human</h2>	<ul style="list-style-type: none"> Workforce health and safety Management of the legal and regulatory environment
<h2 data-bbox="922 1056 1090 1099">Natural</h2>	<ul style="list-style-type: none"> GHG emissions Air quality Energy management Water management Hazardous waste management Product design for use-phase efficiency Safety & environmental stewardship of chemicals Genetically modified organisms

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate

Example: Industrial machinery and goods



Sample Metrics:

Fuel Economy & Emissions in Use-phase Metric RT-IG-410a.3: Sales-weighted fuel efficiency for stationary generators. Quantitative. Watts per gallon

Remanufacturing Design & Services Metric RT-IG-440b.1: Remanufacturing Design & Services. Revenue from remanufactured products and remanufacturing services. Quantitative Reporting currency

<IR> Capital	Relevant SASB Disclosure Topics
<p>Intellectual</p>	<p>Fuel economy & emissions in use-phase Material sourcing Remanufacturing design & services</p>
<p>Social and Relationship</p>	<p>Fuel economy & emissions in use-phase* Material sourcing* Remanufacturing design & services*</p>
<p>Human</p>	<p>Employee health & safety</p>
<p>Natural</p>	<p>Energy management Fuel economy & emissions in use-phase Material sourcing Remanufacturing design & services</p>

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate

Example: Hardware



Sample Metrics:

Product Security

Metric TC-HW-230a.1: Description of approach to identifying and addressing data security risks in products
Discussion and Analysis
n/a

Product Lifecycle Management

Metric TC-HW-410a.4: Weight of end-of-life products and e-waste recovered, percentage recycled
Quantitative
Metric tons (t), Percentage (%)

<IR> Capital	Relevant SASB Disclosure Topics
Intellectual	Employee diversity and inclusion Product lifecycle management Material sourcing
Social and Relationship	Product security* Product lifecycle management* Supply chain management* Material sourcing*
Human	Employee diversity and inclusion
Natural	Product lifecycle management Supply chain management Material sourcing

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate

Example: Semiconductors



Sample Metrics:

Waste Management

Metric TC-SC-150a.1:

Amount of hazardous waste from manufacturing, percentage recycled. Quantitative

Metric tons (t), Percentage (%)

Recruiting & Managing a Global & Skilled Workforce

Metric TC-SC-330a.1: Percentage of employees that are (1) foreign nationals and (2) located offshore⁴

Quantitative Percentage (%)

<IR> Capital

Relevant SASB Disclosure Topics

Intellectual

- Packaging lifecycle management
- Ingredient sourcing
- Recruiting and managing a global & skilled workforce
- Product lifecycle management

Social and Relationship

- Product lifecycle management*
- Materials sourcing*

Human

- Employee health & safety
- Recruiting & managing a global & skilled workforce

Natural

- GHG Emissions
- Energy management in manufacturing
- Water management
- Waste management
- Product lifecycle management
- Materials sourcing

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate

Example: Electrical Manufacturing Services and Original Design Manufacturing



Sample Metrics:

Labor Conditions

Metric TC-ES-320a.2: Percentage of (1) entity’s facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities
Quantitative Percentage (%)

Materials Sourcing

Metric TC-ES-440a.1: Description of the management of risks associated with the use of critical materials
Discussion and Analysis
n/a

<IR> Capital	Relevant SASB Disclosure Topics
Intellectual	Packaging lifecycle management Material sourcing
Social and Relationship	Packaging lifecycle management* Material sourcing*
Human	Labor practices Labor conditions
Natural	Water management Waste management Packaging lifecycle management Material sourcing

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate

Example: Automobiles



Sample Metrics:

Product Safety

Metric TR-AU-250a.1: Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region
Quantitative Percentage (%)

Fuel Economy & Use-phase Emissions

Metric TR-AU-410a.2: Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold
Quantitative Number

<IR> Capital

Relevant SASB Disclosure Topics

Intellectual

Fuel economy & use-phase emissions
Materials sourcing
Materials efficiency & recycling

Social and Relationship

Product safety*
Fuel economy & use-phase emissions*
Materials sourcing*
Materials efficiency & recycling*

Human

Labor practices

Natural

Fuel economy & use-phase emissions
Materials sourcing
Materials efficiency & recycling

*SASB disclosure topics for this industry that influence brand, reputation, trust and license to operate