

REPORT OF THE SASB CHAIR 2021 Q3

Sept 23, 2021

Item I: Standards-Setting Activities

A. Meetings of the Standards Board

- On July 7-8, the Standards Board held public and closed web-based meetings. The closed meetings were attended by some members of the Value Reporting Foundation Board. No technical standards setting activity took place during the closed meetings. Recordings of the public meetings are available on the Value Reporting Foundation's website.
- At the public meeting on July 8, the Standards Board discussed several projects, including the following highlights:
 - The Standards Board voted to approve a standard-setting project on renewable energy in the Electric Utilities & Power Generators Standard. Based on market feedback and research suggesting limitations with the current set of metrics, the project will consider new or revised metrics to address the energy transition in the Electric Utilities & Power Generators industry as a decarbonization pathway and to enhance international applicability.
 - On the Content Governance in the Internet Media & Services Industry project, staff presented a review of the recent consultation period and proposed a potential structure for a revised standard. The Board supported staff moving forward with its proposed approach to metrics development for content moderation and noted the need to further deepen market input through further consultations and an exposure draft.
 - Staff sought Board input to guide next steps on the Plastics Risks and Opportunities in Pulp & Paper Products and Chemicals Industries project.
 - In the Chemicals industry, the Board supported the staff recommendation to incorporate the management of single-use plastics and bio-alternatives into the Chemicals Industry Standard as a distinct topic, rather than modifying the existing Product Design for Use-Phase Efficiency topic. Staff will proceed towards development of an exposure draft.
 - The Board also expressed general support for the staff developing a recommendation on merging the Pulp & Paper and Containers & Packaging Standards.

- On the Human Capital research project, staff presented an update on proposals related to human capital information.
 - Staff recommended continuing to pursue three areas for industry agnostic guidance: workforce composition, workforce costs, and workforce turnover. The Board discussed the forms of guidance this workstream could result in, including a standard, activity metrics or other suggestions provided by Board members.
 - The Board next discussed the preliminary staff proposal related to standard setting on diversity and inclusion. Board members generally supported the staff view that industry-specific metrics would produce more decision-useful information on diversity and inclusion and discussed the need for a clear articulation of financial impacts based on industry characteristics.
- The Standards Board will hold public and closed web-based meetings on Sept 30-Oct 1 and on Dec 14-15, 2021.

B. Additional Agenda Updates

- On June 3, the Standards Board issued an exposure draft and an invitation to comment for proposed changes to the Apparel, Accessories & Footwear Industry Standard. The public comment period closed on Sept 2, 2021.

Item II: Interaction with the Foundation, Advisory Groups, and Stakeholders

A. Value Reporting Foundation Board of Directors

- On July 21, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Nominating Committee.
- On July 23, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Standards Oversight Committee.
- On Aug 25, the Chair of the Standards Board attended a web-based meeting of the Integrated Reporting and Integrated Thinking Oversight Committee.
- On Sept 2, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Nominating Committee.

B. Key Stakeholder Interaction

- On Sept 22, the Chair of the Standards Board attended a web-based meeting of the Climate Disclosure Standards Board.

C. Standards Advisory Group

- On August 18, the SASB Standards Research Team hosted a web meeting with SAG members from the Financials sector. The meeting served as an opportunity for the team to introduce new staff to the group, to provide an update on the SASB Standard Board's agenda priorities, and to solicit feedback on the standards content and recommendations on how to prioritize potential standard-setting efforts.
- On September 2, Value Reporting Foundation staff hosted a webinar for SAG members that provided an overview of VRF's analysis of corporate SASB-aligned disclosure, as well as views on possible improved guidance related to disclosure quality attributes. Following the webinar, SAG members were asked to complete a survey that sought their views of the proposed updated disclosure quality guidance.
- Research Team project leads have engaged with SAG members as a part of the consultation phase of all research and standard-setting projects.
- Members of the Research Team continue to have 1-on-1 conversations with SAG members regarding a series of topics related to challenges and opportunities related to the implementation and use of the SASB Standards, as well as potential research projects.

Item III: Additional Stakeholder Education and Communications

A. Speaking Engagements and Presentations (SASB Board and Staff)

- The Standards Board and Research Team support stakeholder education and communication by speaking at many events. Some highlights include:
 - Ban Ki Moon ESG Academy (July 13, Kurt Kuehn, Standards Board)
 - American Accounting Association Annual Meeting & Pre-Conference Workshops (July 30 & August 3, Jeff Hales & Bob Hirth, Standards Board)
 - SASB Standards Deep Dive with Brock University (September 13, Robert Hirth, Standards Board)
 - FEI Sustainability Reporting Symposium (September 21, Jeff Hales, Standards Board)
 - Board Summit in Abu Dhabi and Dubai (September 21, Jeff Hales, Standards Board)
 - CARE Accounting for Sustainability and Responsible Investing Conference (September 22, Jeff Hales, Standards Board)



- Corporate & Securities Law and Corporate Counsel Virtual Institute (September 23, Bob Hirth, Standards Board)
- The Good Food Conference hosted by Good Food Institute (September 23, Devon Bonney, Research Team)