

Summary of Meeting Outcomes

Public Standards Board Meeting

October 1, 2021

The following represents a staff summary of the outcomes of a public meeting of the Sustainability Accounting Standards Board (SASB). Meeting outcomes may include final decisions made by the Board in accordance with the SASB [Rules of Procedure](#), preliminary Board decisions that are tentative and subject to change until they receive final Board approval, or other outcomes resulting from Board discussions or staff updates.

The meeting recording, materials, and a schedule of upcoming meetings are available online at the [Standards Board Meeting Calendar & Archive](#).

The current SASB Standards are available at [Download SASB Standards](#). Information on specific projects can be found on the [Projects](#) page. [Subscribe](#) to receive standards-related updates or [provide input](#) on SASB Standards.

Standard-setting Agenda Overview

- Staff presented an overview of the current project pipeline, including anticipated next steps on the active standard-setting projects:
 - Target publication of Standards updates for the (i) Asset Management & Custody Activities, (ii) Metals & Mining, and (iii) Coal Operations Standards by year end corresponding to the Systemic Risk in Asset Management and Tailings Management in Extractives projects.
 - Target release of an exposure draft of the Chemicals Standard for public comment in Q1 2022 on the Plastics Risk and Opportunities project.
 - Determine appropriate next steps on the Raw Materials in Apparel exposure draft based on review of public comments received during the 90-day public comment period that concluded in September 2021.

- Market consultations to commence on the Alternative Products in Food & Beverage and Renewable Energy in Electric Utilities projects in Q4 2021.
- Staff also presented a status update on the Human Capital project:
 - Staff is finalizing a standard-setting project proposal for the Diversity & Inclusion theme anticipated to be presented to the Board at the December 2021 Board meeting.
 - Staff and Board continue ongoing evaluation around the benefits of developing technical guidance on aspects of human capital prevalent across the market.
 - Staff continues to monitor the market on other key themes identified in the preliminary framework: labor conditions in the supply chain; workforce investment; worker wellbeing; and alternative workforce.

Standard-Setting Projects

Tailings Management in Extractives

- Staff and the Board discussed recommended revisions to the exposure drafts based on further research and deliberation of feedback from public comments, including (a) improving decision-usefulness of select elements of the tailings storage facilities inventory table, (b) further alignment with terminology and definitions in the Global Industry Standard on Tailings Management, and (c) improving understandability and decision-usefulness of the qualitative disclosure metrics.
- Next steps in the project will consist of the Board reviewing updated exposure drafts and an accompanying basis for conclusions and proceeding to a final vote on the Standards updates.

Systemic Risk in Asset Management

- Staff presented the key themes that emerged from received public comment letters, which were consistent with market input staff has received throughout the project, and further validate the prior research, consultation, and analysis that led to the proposed changes in the exposure draft.
- Staff recommended that the Board update the Asset Management & Custody Activities Standard by approving the changes proposed in the

exposure draft, i.e., the removal of the Systemic Risk Management disclosure topic and associated metrics, which the Board was receptive to.

- Next steps in the project will consist of the Board reviewing a revised basis for conclusions and proceeding to a final vote on the Standards update.

Other Projects

Conceptual Framework

- Staff presented a status update on a project intended to refresh the *SASB Conceptual Framework*, with a particular focus on two proposed revisions that may articulate the Standards Board’s core principles more clearly without substantively altering them.
 - Staff noted pervasive and ongoing market confusion regarding the term “materiality,” which was clearly reflected in the public comments received on an exposure draft of the *Conceptual Framework* issued in late 2020. The Board discussed potential opportunities to improve the language used in the *Conceptual Framework* to clarify how the Standards Board has always viewed the concept of materiality while also aligning more closely with financial standard setters such as the International Accounting Standards Board (IASB).
 - Additionally, staff noted consistent market feedback, including public comment letters, which has indicated that the “fundamental tenets” outlined in the *Conceptual Framework* may be more appropriate to include in the Standards Board’s *Rules of Procedure*. The Board expressed general agreement that the fundamental tenets – evidence based, market informed, industry specific, and transparent – are more accurately framed as characteristics of the standard-setting due process rather than as concepts that guide decision making. However, several Board members noted potential opportunities to strengthen how industry-specificity – and related concepts, such as business model and activities – are captured in other areas of the *Conceptual Framework*.
- Staff will incorporate the Board’s views into its next steps, including developing a working draft of the *Conceptual Framework* with proposed updates, and will continue to engage with the IFRS Foundation’s Technical

Readiness Working Group to ensure appropriate alignment with international standard-setting efforts.

Additional Research

Alternative Meat & Dairy Research Project

- Staff reviewed with the Board additional evidence and market input received on the prevalence, financial impact, and investor interest associated with alternative products in the Processed Foods industry.
- The Board agreed with and voted unanimously on staff’s recommendation to expand the scope of the previously initiated standard-setting project on Alternative Products in Food & Beverage to include the Processed Foods industry.
- This Board decision leads to the conclusion of the Alternative Meat & Dairy research project, as standard setting has been initiated through the Alternative Products in Food & Beverage project centered on three industries: Meat, Poultry & Dairy, Food Retailers & Distributors, and Processed Foods.
- Next steps in the Alternative Products standard-setting project will consist of consultations to aid in the development of potential updates to the Standards for the three industries identified above.

Marine Transportation Working Group

- Staff presented an update to the Board on the activities and early-stage research insights gained from a Marine Transportation Working Group.
- Staff reviewed the feedback on the top two themes that emerged from the working group discussions: Greenhouse Gas Emissions and Air Quality disclosure topics.
- Next steps consist of conducting additional research and market consultation to determine if standard setting is appropriate and if so, to propose a potential project scope.