

## REPORT OF THE SASB CHAIR 2021 Q4

Dec 6, 2021

### Item I: Standards-Setting Activities

#### A. Meetings of the Standards Board

- On Sept 30 and Oct 1, 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 Oct 1, the Standards Board discussed several projects, including the following highlights:
  - For the Tailings Management in Extractives project, Staff and the Board discussed recommended revisions to the exposure drafts based on further research and deliberation of feedback, including improving decision-usefulness of select elements of the tailings storage facilities inventory table, further aligning with terminology and definitions in the Global Industry Standard on Tailings Management and improving the qualitative disclosure metrics.
  - For the Systemic Risk in Asset Management project, Staff presented key themes from public comment letters, which were consistent with market input received throughout the project. 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.
  - Regarding the project to update the SASB Standards Board’s Governance Documents, the Staff presented a status update on progress related to the the SASB Conceptual Framework. In particular, the Staff discussed market feedback that was received during a previous public comment period. First, the Board discussed opportunities to clarify language that describes 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). Second, the Board discussed whether the “fundamental tenets” outlined in the Conceptual

Framework may be more appropriate to include in the Standards Board's Rules of Procedure. The proposed changes, if implemented, would be intended to articulate the Standards Board's core principles more clearly without substantively altering them. Next, Staff will develop a working draft of the Conceptual Framework that would incorporate the proposed changes for further review and consideration.

- The Board also discussed research updates on the Alternative Meat & Dairy research project and on early-stage research insights gained from a Marine Transportation Working Group.
- The Standards Board will hold its next public and closed web-based meetings on Dec 14-15, 2021.

#### B. Additional Agenda Updates

- On Dec 7, the Value Reporting Foundation published updates to the Asset Management & Custody Activities, Metals & Mining, and Coal Operations Industry Standards as approved by the Standards Board. The revised standards are effective for reports covering annual periods beginning on or after January 1, 2022.

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

#### A. Value Reporting Foundation Board of Directors

- On Sept 29, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Board of Directors.
- On Oct 15, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Standards Oversight Committee.
- On Oct 25, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Board of Directors.
- On Oct 29, the Chair of the Standards Board attended a web-based meeting of the Value Reporting Foundation Board of Directors.

#### B. Key Stakeholder Interaction

- On Oct 22, the Chair of the Standards Board attended a web-based meeting of the Climate Disclosure Standards Board.
- Throughout Q4, the Chair of the Standards Board along with some other Board members and members of the Staff regularly participated in the meetings and activities of the IFRS Foundation's Technical Readiness Working Group.

#### C. Standards Advisory Group

- On November 10, the SASB Standards Research Team hosted the annual Standards Advisory Group Workshop for SAG Members and their colleagues. This virtual event provided SAG members with an update on the priorities of the Value Reporting Foundation and the evolving ESG disclosure landscape, as well as offering participants the opportunity to provide feedback and gain insights from a series of interactive breakout discussions on the following topics: climate risk in loan portfolios, climate impacts in the supply chain, diversity & inclusion, data security, net zero, and biodiversity.
- On November 18, the SASB Standards Research Team engaged SAG members and other corporate representatives from the Biotechnology & Pharmaceuticals industry to share insights learned from our disclosure analysis of SASB-aligned reports from the industry and provided an update on the metrics identified as needing improvement as part of the [Standards Internationalization Advancement](#) project.
- Research Team project leads have engaged with SAG members as a part of the consultation phase of all research and standard-setting projects. During this period there was a focus on market consultation related to the [Renewable Energy in Electric Utilities & Power Generators Industry](#) and [Plastics Risks and Opportunities in Pulp & Paper Products and Chemicals Industries](#) 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:
  - The Good Food Conference (September 23, Devon Bonney, Research Staff)
  - Financial Services Exchange (September 27, Daniel Goelzer, Standards Board)
  - Marquette Sustainability 2.0 Conference (October 22, Jeff Hales, Standards Board)
  - CPA Canada/CPA Ontario & Brock University (October 24, Robert Hirth, Standards Board)

- Financial Times Outstanding Director Exchange (October 28, Kurt Kuehn, Standards Board)
- PCAOB Conference on Auditing and Capital Markets Agenda (October 29, Jeff Hales, Standards Board)
- International Association of Drilling Contractors Annual General Meeting (November 4, Jeff Hales, Standards Board)
- 6th Sustainability Practitioner International Conference of Indonesia (November 15, Jeff Hales, Standards Board)
- ICAI Global Virtual Sustainability Summit (November 17, Jeff Hales, Standards Board)
- OMFIF-SPI High-Level Virtual Roundtable (November 30, Jeff Hales, Standards Board)