



HEALTH CARE SECTOR COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Lloyd Kurtz, Chair of Health Care Sector Committee
CC: Bob Hirth, Jean Rogers
Date: June 21, 2017

MEMBERS

Chair: Lloyd Kurtz
Members: Bob Hirth, Jean Rogers
SASB Staff Liaison: Eric Kane

REPORT

The Health Care Sector Committee has reviewed the proposed Technical Agenda for the Health Care sector as prepared by the Sector Analyst, Eric Kane. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed six industries in the Health Care Sector. The proposed items were distributed as follows:

Biotechnology and Pharmaceuticals: 8 items

Medical Equipment and Supplies: 4 items

Health Care Delivery: 6 items

Health Care Distributors: 1 item

Managed Care: 1 item

Drug Retailers: 0 items

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will



conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).

Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Health Care Sector.

In summary, the committee agrees with the staff recommendations for 18 items, disagrees with 3 (and recommends excluding them from the technical agenda), and proposes 4 items for discussion.



HEALTH CARE TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee's findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|---------------------------------|---------------------------------------|---------------|---|------------|---|
| Biotechnology & Pharmaceuticals | Drug Safety and Side Effects | 1-1 | SASB proposes evaluating the revision of the disclosure topic name. | Include | |
| Biotechnology & Pharmaceuticals | Safety of Clinical Trial Participants | 1-2 | SASB proposes a revision to the metric to better align with the presentation of metrics in other SASB industry standards. | Include | |
| Biotechnology & Pharmaceuticals | Affordability and Fair Pricing | 1-3 | SASB proposes evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with current industry practices for reporting. | Include | |
| Biotechnology & Pharmaceuticals | Ethical Marketing | 1-4 | SASB proposes a revision to the metric to better align with the presentation of metrics in other SASB industry standards. | Include | |
| Biotechnology & Pharmaceuticals | Employee Health and Safety | 1-5 | SASB proposes the removal of the topic and the associated metrics. | Exclude | Research agenda: understand worker exposure to high potency APIs, OSHA protection, industry practices and liability. Evaluate exposure to risk and materiality, as well as possible metrics to characterize how well the risk is being managed. |
| Biotechnology & Pharmaceuticals | Energy, Water, and Waste Efficiency | 1-6 | SASB proposes the removal of aspects of the topic and the associated metrics. | Exclude | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|---------------------------------|--|---------------|---|---------------------------|--|
| Biotechnology & Pharmaceuticals | Corruption and Bribery | 1-7 | SASB proposes a technical change to the disclosure topic name to better align with the presentation of topics in other SASB industry standards. | Include with reservations | Consider not removing qualitative aspect of metric, as it is relevant. |
| Biotechnology & Pharmaceuticals | Activity Metrics | 1-8 | SASB propose to add activity metrics to the Biotechnology and Pharmaceuticals standard. | Include | |
| Medical Equipment and Supplies | Ethical Marketing | 1-9 | SASB proposes a revision to the metric to better align with the presentation of metrics in other SASB industry standards. | Include | |
| Medical Equipment and Supplies | Energy, Water, and Waste Efficiency | 1-10 | SASB proposes removing the 'Energy, Water, and Waste Efficiency' disclosure topic and the associated metrics. | Include | |
| Medical Equipment & Supplies | Corruption and Bribery | 1-11 | SASB proposes a revision to a metric. | Include | Same comment as 1-7 |
| Medical Equipment and Supplies | Activity Metric | 1-12 | SASB propose to add activity metrics to the Medical Equipment and Supplies industry. | Include | |
| Health Care Delivery | Quality of Care and Patient Satisfaction | 1-13 | SASB proposes evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with current industry practices for reporting. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|--------------------------|---|---------------|---|------------|--|
| Health Care Delivery | Quality of Care and Patient Satisfaction | 1-14 | SASB proposes evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with current industry practices for reporting. | Include | |
| Health Care Delivery | Quality of Care and Patient Satisfaction | 1-15 | SASB proposes evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with current industry practices for reporting. | Include | |
| Health Care Delivery | Pricing and Billing Transparency | 1-16 | SASB proposes splitting the metric into two distinct aspects. | Include | |
| Health Care Delivery | Patient Privacy and Electronic Health Records | 1-17 | SASB proposes splitting the metric into two distinct aspects. | Include | |
| Health Care Delivery | Employee Health and Safety | 1-18 | SASB proposes the addition of a disclosure topic. | Include | |
| Health Care Distributors | Corruption and Bribery | 1-19 | SASB proposes a technical change to the metric. | Include | |
| Managed Care | Pricing Transparency and Plan Literacy | 1-20 | SASB proposes the removal of the metric. | Exclude | This is in use in the industry and captures performance on an important topic. Don't remove until better metric is identified, vetted, proposed. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------------------------|--|---------------|-------------|------------|---|
| Pharma, Health Care Delivery | Over prescription of patients and Opioid addiction | 1-21 | New topic | Include | Develop proposal for topic that addresses the contribution to and liability from the opioid epidemic in America |

*** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"*



The Health Care committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

1. Opioid epidemic and over prescription—pharma and health care delivery
2. Worker exposure to APIs – risk and liability for pharma
3. Climate risk – changing disease profiles (R&D), rise of communicable diseases- readiness, and health care delivery business continuity from increasing storm events and patient load – are standards adequate
4. For profit clinics – effect on customers and on traditional health care delivery facilities.
Regulated? Insured? Access?



FINANCIALS COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Jeffrey Hales, Chair of Financials Sector Committee
CC: Dan Goelzer, Verity Chegar
Date: 6/23/2017

MEMBERS

Chair: Jeffrey Hales
Members: Dan Goelzer, Verity Chegar
SASB Liaison: Anton Gorodniuk

REPORT

The Financials Sector Committee has reviewed the proposed Technical Agenda for the Financials sector as prepared by the Sector Analyst, Anton Gorodniuk. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed 7 industries in the Financials Sector. The proposed items were distributed as follows:

Commercial Banks: 12 items
Investment Banking & Brokerage: 13 items
Asset Management & Custody Activities: 11 items
Consumer Finance: 5 items
Mortgage Finance: 5 items
Security and Commodity Exchanges: 2 items
Insurance: 8 items.

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).



Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Financials Sector.

In summary, the committee agrees with the staff recommendations for 56 items, disagrees with 0 (and recommends excluding them from the technical agenda), and proposes 3 items for discussion.



FINANCIALS TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|------------------|--|---------------|---|---------------------------|---|
| Commercial Banks | Financial Inclusion & Capacity Building | 2-1 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Commercial Banks | Financial Inclusion & Capacity Building | 2-2 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | Committee would like clarification on the definition of the ‘absolute value of loans’ as described in the Description of change and the Evidence section of this TA item. CRA alignment should be more clear in the metric. |
| Commercial Banks | Financial Inclusion & Capacity Building | 2-3 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Commercial Banks | Customer Privacy & Data Security | 2-4 | SASB is evaluating materiality of the topic, including relevance of both data security and customer privacy to the scope of the industry. | Include | Committee would like the description of the change to clarify whether this is solely a name change or whether metric changes are being suggested. |
| Commercial Banks | Customer Privacy & Data Security | 2-5 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Commercial Banks | Management of the Legal & Regulatory Environment | 2-6 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Committee continues to have concerns with the use of the aggregate amount of fines and settlements as a decision-useful indicator. |
| Commercial Banks | Management of the Legal & Regulatory Environment | 2-7 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Committee has concerns that metric FN101-108 is overly focused on closed matters and that new suggested metric is overly focused on claims filed, regardless of outcome. Develop a metric that is more concise, comparable, and less burdensome to report. Evaluate FINRA compliance. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------------|--|---------------|--|--------------------------|--|
| Commercial Banks | Systemic Risk Management | 2-8 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | |
| Commercial Banks | Systemic Risk Management | 2-9 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | Do not replace quantitative metrics with qualitative disclosure. |
| Commercial Banks | Integration of Environmental, Social, and Governance Factors in Credit Risk Analysis | 2-10 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Commercial Banks | Integration of Environmental, Social, and Governance Factors in Credit Risk Analysis | 2-11 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | The Committee was concerned about overly normative rationale given for the rationale for the disclosure topic, as well as whether the companies concerned (here, commercial banks) could all be expected to define industries in the same way. |
| Commercial Banks | Activity Metrics | 2-12 | SASB proposes to include the section with activity metrics as a new element of the Commercial Banks standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include | Change agenda item to read "SASB proposes to include activity metrics for this industry". |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|--------------------------------|--|---------------|---|---------------------------|---|
| Investment Banking & Brokerage | Employee Incentives & Risk Taking | 2-13 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | The committee would like to see more specific definitions of what is meant by 'ex post adjustments' and 'variable compensation' Consider not removing discussion metrics. |
| Investment Banking & Brokerage | Employee Incentives & Risk Taking | 2-14 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | The Committee thought that the word 'employees' should be replaced by 'traders' in the note describing the change, for clarity and consistency with the suggested metrics. |
| Investment Banking & Brokerage | Employee Inclusion | 2-15 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | What is the real issue regarding gender and ethnic discrimination? The current metrics may make this easier to see and compare. The level of detail suggested here seems inappropriate for a 10-K. |
| Investment Banking & Brokerage | Management of the Legal & Regulatory Environment | 2-16 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | As in 2-6, the Committee continues to have concerns with the use of the aggregate amount of fines and settlements as a decision-useful indicator. |
| Investment Banking & Brokerage | Management of the Legal & Regulatory Environment | 2-17 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | As in 2-7, Committee has concerns that metric FN101-107 is overly focused on closed matters and that new suggested metric is overly focused on claims filed, regardless of outcome. Suggested disclosure appears burdensome and too detailed for 10-K, unrelated to management of legal and regulatory environment in the way that SASB has defined it. |
| Investment Banking & Brokerage | Management of the Legal & Regulatory Environment | 2-18 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Investment Banking & Brokerage | Professional Integrity | 2-19 | SASB is evaluating materiality of sustainability issues faced by the industry. | Include with reservations | As in 2-6 and 2-16, the Committee continues to have concerns with the use of the aggregate amount of fines and settlements as a decision-useful indicator. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|--------------------------------|---|---------------|---|---------------------------|---|
| Investment Banking & Brokerage | Systemic Risk Management | 2-20 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | Maintain quantitative metrics for comparability |
| Investment Banking & Brokerage | Systemic Risk Management | 2-21 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Investment Banking & Brokerage | Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities | 2-22 | SASB is evaluating revising the name of this disclosure topic. | Include | |
| Investment Banking & Brokerage | Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities | 2-23 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Will the companies concerned (here, investment banks) all define industries in the same way, or should we offer an industry classification of reference? as in 2-11. ESG integration may also need to be defined. |
| Investment Banking & Brokerage | Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities | 2-24 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Will the companies concerned (here, investment banks) all define industries in the same way, or should we offer an industry classification of reference? as in 2-11, 2-23. ESG integration may also need to be defined. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|---------------------------------------|---|---------------|--|---------------------------|---|
| Investment Banking & Brokerage | Activity Metrics | 2-25 | SASB proposes to include the section with activity metrics as a new element of the Investment Banking & Brokerage standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include | Shorten name of agenda item to "SASB proposes to include activity metrics for this industry" |
| Asset Management & Custody Activities | Employee Incentives and Risk Taking | 2-26 | SASB is evaluating relevance and materiality of sustainability topics. | Include | |
| Asset Management & Custody Activities | Employee Inclusion | 2-27 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation. | Current metrics may better capture the issue and be more comparable than the proposed metrics. |
| Asset Management & Custody Activities | Transparent Information and Fair Advice for Customers | 2-28 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | Appears to apply to brokers, not asset managers, and there are also non-FINRA registered professionals that provide advice that would not be covered. |
| Asset Management & Custody Activities | Transparent Information and Fair Advice for Customers | 2-29 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Committee wonders if the suggested addition to the TP should be a separate metric. |
| Asset Management & Custody Activities | Management of the Legal & Regulatory Environment | 2-30 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Same concern re: use of total amount of fines and settlements as in 2-6 |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|---------------------------------------|--|---------------|---|---------------------------|--|
| Asset Management & Custody Activities | Management of the Legal & Regulatory Environment | 2-31 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | Metrics used/suggested by SASB may be too focused on # of completed cases and/or number of claims filed, regardless of outcome, as in 2-7. Metric appears to be too burdensome, detailed and not relevant to the topic. |
| Asset Management & Custody Activities | Systemic Risk Management | 2-32 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | Committee does not believe proposal is ready to put forward, but recognizes lack of applicability of existing metrics. |
| Asset Management & Custody Activities | Systemic Risk Management | 2-33 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Asset Management & Custody Activities | Integration of Environmental, Social, and Governance Factors in Investment Management & Advisory | 2-34 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | Current metrics may not be ideal, but evidence does not seem to support change, and appears less comparable. |
| Asset Management & Custody Activities | Integration of Environmental, Social, and Governance Factors in Investment Management & Advisory | 2-35 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservation | Rationale for removal of metric is misguided. The metric does not capture integration of ESG, it captures exposure to climate risk from holdings. Evaluate metric on the basis of how will it captures exposure to climate risk and move to different topic. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|---------------------------------------|------------------------------------|---------------|---|---------------------------|--|
| Asset Management & Custody Activities | Activity Metrics | 2-36 | SASB proposes to include the section with activity metrics as a new element of the Asset Management & Custody Activities standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include with reservations | Committee would like to see a clear definition and source of the term 'registered' assets Shorten name of agenda item |
| Consumer Finance | Financial Inclusion | 2-37 | SASB is evaluating relevance and materiality of sustainability topics. | Include | |
| Consumer Finance | Customer Privacy and Data Security | 2-38 | SASB is evaluating splitting this topic into two distinct disclosure topics. | Include | |
| Consumer Finance | Customer Privacy and Data Security | 2-39 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Consumer Finance | Selling Practices | 2-40 | SASB is evaluating merging two topics into one disclosure topic. | Include with reservations | Committee would like clarification on whether new/modified metrics are being put forward, and if so, what these new/modified metrics are. Committee also wants evidence that the suggested list of metrics under the merged topic match up to current issue tracking practice. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------------|--|---------------|--|---------------------------|--|
| Consumer Finance | Activity Metrics | 2-41 | SASB proposes to include the section with activity metrics as a new element of the Consumer Finance standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include | Shorten agenda item name. SASB proposes to include activity metrics as part of the Consumer Finance Standard. |
| Mortgage Finance | Environmental Risk to Mortgaged Properties | 2-42 | SASB is evaluating alignment of metrics across all industry standards as well as assuring international applicability of SASB standards. | Include with reservations | The committee would like to know whether there are international equivalents to FEMA special flood hazard zone designations. |
| Mortgage Finance | Lending Practices | 2-43 | SASB is evaluating merging two topics into one disclosure topic. | Include | |
| Mortgage Finance | Discriminatory Lending | 2-44 | SASB is evaluating a new topic addressing discrimination in mortgage origination. | Include | |
| Mortgage Finance | Management of the Legal & Regulatory Environment | 2-45 | SASB is evaluating relevance and materiality of sustainability topics. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|----------------------------------|---|---------------|--|---------------------------|---|
| Mortgage Finance | Activity Metrics | 2-46 | SASB proposes to include the section with activity metrics as a new element of the Mortgage Finance standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include | Shorten agenda item name. SASB proposes to include activity metrics as part of the Mortgage Finance Standard. |
| Security and Commodity Exchanges | Managing Business Continuity and Technology Risks | 2-47 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Security and Commodity Exchanges | Activity Metrics | 2-48 | SASB proposes to include the section with activity metrics as a new element of the Mortgage Finance standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include with reservations | The committee is concerned that the metrics were not vetted with issuers, and would like clarification as to 1) if these metrics are already commonly publicly disclosed, why specify them for redundant disclosure here; 2) if the current metrics are not currently commonly disclosed, is it reasonable to expect exchanges to disaggregate trades by product or by asset class. Shorten and correct agenda item name |
| Insurance | Environmental Risk Exposure | 2-49 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------|---|---------------|---|---------------------------|---|
| Insurance | Environmental Risk Exposure | 2-50 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Insurance | Environmental Risk Exposure | 2-51 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Insurance | Policies Designed to Incentivize Responsible Behavior | 2-52 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include | |
| Insurance | Plan Performance | 2-53 | SASB is evaluating materiality and relevance of the disclosure topic. | Include | |
| Insurance | Systemic Risk Management | 2-54 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | |
| Insurance | Integration of ESG Factors in Investment Management | 2-55 | SASB is evaluating relevance, decision-usefulness, and cost-effectiveness of metrics. | Include with reservations | The committee would like clarification on whether aggregated information as captured by the suggested metric would be decision-useful. Additionally, if the metric asks for aggregation at a higher level than current requirements do, is this metric additive or redundant to existing disclosures? |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------|------------------|---------------|---|------------|--|
| Insurance | Activity Metrics | 2-56 | SASB proposes to include the section with activity metrics as a new element of the Insurance standard. At the time of release of the Provisional Standards, SASB had not incorporated the concept of activity metrics into the industry standard. Activity metrics are meant to measure the scope of company's operational performance and to be normalization factors for performance metrics included in disclosure topics. | Include | |

*** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"*



The Financials committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) Use of the aggregate amount of fines and settlements as a decision-useful indicator?
(proposals 2-6, 2-16, 2-19, 2-30)
- 2) Metrics used/suggested by SASB may be too focused on # of completed cases and/or number of claims filed, regardless of outcome (proposals, 2-7, 2-17, 2-31) and too detailed for 10-K. Also, not associated with legal and regulatory environment.
- 3) Will companies all define industries the same way, or should SASB offer an industry classification of reference/request that methodology to define industries be described?
(proposals 2-11, 2-23, 2-24) Does "ESG integration" need to be defined?



TECHNOLOGY & COMMUNICATIONS SECTOR COMMITTEE **REPORT**

To: Jean Rogers, Chair of SASB Standards Board
From: Robert Hirth Chair of Technology & Communications Sector Committee
CC: Lloyd Kurtz, Verity Chegar
Date: 6/23/2017

MEMBERS

Chair: Robert Hirth
Members: Lloyd Kurtz, Verity Chegar
SASB Liaison: Quinn Underriner

REPORT

The Technology & Communications Sector Committee has reviewed the proposed Technical Agenda for the Technology & Communications sector as prepared by the Sector Analyst Quinn Underriner. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed 5 industries in the Technology & Communications Sector. The proposed items were distributed as follows:

Electronic Manufacturing Services & Original Design Manufacturing: 1 item
Software & IT Services: 3 items
Semiconductors: 1 item
Telecommunications Services: 4 items
Internet Media & Services: 3 items

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).



Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Technology & Communications Sector.

In summary, the committee agrees with the staff recommendations for 12 items, disagrees with 0 (and recommends excluding them from the technical agenda), and proposes 2 items for discussion.



TECHNOLOGY & COMMUNICATIONS TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|---|--|---------------|---|---------------------------|--|
| Electronic Manufacturing Services & Original Design Manufacturing | Water & Waste Management in Manufacturing | 3-1 | SASB is evaluating providing a more internationally focused definition of hazardous waste for the related technical protocol. | Include with reservations | The Committee was not convinced that substituting a US reference standard for an international reference standard improved the SASB standard. More information on the use of each referent standard by the market would be helpful. Additionally, the committee recommended editing the rationale offered for the change to reference the principles of applicability and alignment, not the principle of comparability. |
| Software & IT Services | Environmental Footprint of Hardware Operations | 3-2 | SASB is evaluating a change to the technical protocol to align the measurement of renewable energy with internationally applicable standards. | Include | |
| Software & IT Services | Data Privacy & Freedom of Expression | 3-3 | SASB is evaluating changing the language of this metric to ensure completeness in reporting | Include with reservations | As in 3-7 and 3-11, the Committee suggests changing the description of the agenda item to reflect the suggested change is a metric change/addition, not merely a language change. |
| Software & IT Services | Data Security | 3-4 | SASB is reviewing the decision-usefulness of the metrics associated with the topic. | Include with reservations | The Committee recommended describing the agenda item as such: “SASB is considering the addition of a metric to improve the decision-usefulness and completeness of the metrics associated with the topic.” Update evidence to be industry specific. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------------|---------------------------------------|---------------|---|---------------------------|---|
| Semiconductors | Water & Waste Management | 3-5 | SASB is evaluating providing a more internationally focused definition of hazardous waste for the related technical protocol. | Include with reservations | <p>As with TA 3-1, the Committee was not convinced that substituting a US reference standard for an international reference standard improved the SASB standard. More information on the use of each referent standard by the market would be helpful.</p> <p>The committee would like clarification on how the current reference does not address applicability or comparability or completeness, and how the proposed reference will better meet the principles of applicability and comparability and completeness.</p> <p>The committee would also like clarification on whether the issuer concerns outlined in the 'Vetting' section are addressed with this proposed change.</p> |
| Telecommunications Services | Environmental Footprint of Operations | 3-6 | SASB proposes to revise the technical protocol to make measurement of renewable energy more internationally applicable. | Include | |
| Telecommunications Services | Data Privacy | 3-7 | SASB is evaluating changing the language of this metric to ensure completeness in reporting | Include with reservations | As in 3-3 and 3-11, the Committee suggests changing the description of the agenda item to reflect the suggested change is a metric change/addition, not merely a language change. |
| Telecommunications Services | Data Security | 3-8 | SASB is reviewing the decision-usefulness of the metrics associated with the topic. | Include with reservation | Update agenda item, provide industry specific evidence, and address which 3rd party certification might be appropriate and whether or not it is in use. As in 3-12, the committee is concerned that without adequate industry-relevant issuer input or existing disclosure, the cost-effectiveness of this metric has not been established. Consider moving this topic to the RA for vetting by issuers in this industry. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------------|--|---------------|--|---------------------------|--|
| Telecommunications Services | Telecommunications Services | 3-9 | SASB is evaluating addressing net neutrality issues in the new combined Telecommunications Services industry. | Include | The Committee notes that the substance of the suggested change is mentioned here in the description, which has not been the approach across this or other sectors. Update agenda item. |
| Internet Media & Services | Environmental Footprint of Hardware Operations | 3-10 | SASB is evaluating a change to the technical protocol to make measurement of renewable energy more internationally applicable. | include | |
| Internet Media & Services | Data Privacy, Advertising Standards, and Freedom of Expression | 3-11 | SASB is evaluating changing the language of this metric to ensure completeness in reporting. | Include with reservations | As in 3-3 and 3-7, the Committee suggests changing the description of the agenda item to reflect the suggested change is a metric change/addition, not merely a language change. |
| Internet Media & Services | Data Security | 3-12 | SASB is considering adding a forward-looking quantitative metric to the Data Security topic in the Software & IT Services, Internet Media & Services, and Telecommunications industries. | Include with reservation | Update agenda item, provide industry specific evidence, and address which 3rd party certification might be appropriate and whether or not it is in use. As in 3-8, the committee is concerned that without adequate industry-relevant issuer input or existing disclosure, the cost-effectiveness of this metric has not been established. Consider moving this topic to the RA for vetting by issuers in this industry. |

**** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"**



The Tech & Communications Sector committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 4) Use of international vs. US standards as references in the standards (proposals 3-1, 3-5)
- 5) Use of evidence from different industries within a sector to support inclusion of topic inclusion (proposals 3-8, 3-12), availability and use of 3rd party certification such as ISO



EXTRACTIVES & MINERALS PROCESSING COMMITTEE **REPORT**

To: Jean Rogers, Chair of SASB Standards Board
From: Verity Chegar, Chair of Extractives & Minerals Processing Sector Committee
CC: Elizabeth Seeger, Bob Hirth
Date: DD/MM/YY

MEMBERS

Chair: Verity Chegar
Members: Elizabeth Seeger, Bob Hirth
SASB Liaison: David Parham

REPORT

The Extractives & Minerals Processing Sector Committee has reviewed the proposed Technical Agenda for the Extractives & Minerals Processing sector as prepared by the Sector Analyst, David Parham. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed eight industries in the Extractives & Minerals Processing Sector. The proposed items were distributed as follows:

Oil and Gas – Exploration and Production: 10 items

Oil and Gas – Midstream: 3 items

Oil and Gas – Refining and Marketing: 2 items

Oil and Gas – Services: 9 items

Coal Operations: 1 item

Iron and Steel: 0 items

Metals and Mining: 4 items

Construction Materials: 2 items

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).



Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Extractives & Minerals Processing Sector.

In summary, the committee agrees with the staff recommendations for 31 items, disagrees with 0 (and recommends excluding them from the technical agenda), and proposes 4 items for discussion.

Items for discussion:

1. E&Ps and Services companies and the responsibility for deciding water use and chemicals use in, e.g., fracking and therefore which industry is better positioned to report the metrics concerning water intensity and hazardous chemicals use.
2. The proposed addition of corruption management performance metrics to complement the existing risk exposure metrics in E&Ps and Services and Mining industries, and the suggested use of fines and penalties. (4-7)
3. 4-9 reserves valuation and cap ex – relevance of asking about renewables
4. Water management in metals and mining – clarify intent to augment quantitative metrics or to replace with qualitative



EXTRACTIVES AND MINERALS PROCESSING TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|--|--|---------------|---|------------|--|
| Oil and Gas – Exploration and Production | Greenhouse Gas Emissions | 4-1 | SASB is evaluating the revision of a metric associated with the topic to address cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | Always state actual metric # from the standard in the Description – that’s the part that will be published first. |
| Oil and Gas – Exploration and Production | Greenhouse Gas Emissions | 4-2 | SASB is reviewing the technical protocol to ensure it is representative of performance. | Include | Please be clearer on agenda item “representative of performance”. Do you mean whether the metric effectively measures performance? |
| Oil and Gas – Exploration and Production | Water Management | 4-3 | SASB is evaluating the revision of a metric associated with the topic to address cost-effectiveness and decision-usefulness. | Include | |
| Oil and Gas – Exploration and Production | Security, Human Rights, and the Rights of Indigenous Peoples | 4-4 | SASB is reviewing the technical protocol for the completeness. | Include | |
| Oil and Gas – Exploration and Production | Health, Safety, and Emergency Management | 4-5 | SASB is evaluating the revision of a metric associated with the topic to improve its decision-usefulness and to align with other standards. | Include | Please clarify in agenda item whether it is alignment with other SASB standards or external standards. |
| Oil and Gas – Exploration and Production | Health, Safety, and Emergency Management | 4-6 | SASB is evaluating splitting the topic related to Health, Safety, and Emergency Management to ensure the standard is decision-useful to investors and cost-effective for companies. | Include | Align with other worker safety titles in other industries |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|--|--|---------------|---|--------------------------|---|
| Oil and Gas – Exploration and Production | Business Ethics and Payments Transparency | 4-7 | SASB is evaluating the addition of a metric to improve the decision-usefulness of the standard by ensuring the metrics offer a complete, distributive, and representative assessment of Business Ethics & Payments Transparency risk. | Include with reservation | Needs additional research regarding adequacy of proposed metric and additional vetting regarding decision - usefulness. Can this be done by the time of Exposure Draft? |
| Oil and Gas – Exploration and Production | Reserves Valuation and Capital Expenditures | 4-8 | SASB is reviewing the technical protocol to improve the representativeness, completeness, and alignment with other disclosure frameworks. | Include | Note which disclosure frameworks are for alignment in TA item. |
| Oil and Gas – Exploration and Production | Reserves Valuation and Capital Expenditures | 4-9 | SASB is evaluating the addition of a metric to improve the decision-usefulness, representativeness, and completeness of the disclosures related to the topic. | Include with reservation | |
| Oil and Gas – Exploration and Production | Management of the Legal and Regulatory Environment | 4-10 | SASB is evaluating the revision of a metric associated with the topic to improve alignment with existing legal requirements. | Include | |
| Oil and Gas – Midstream | Greenhouse Gas & Other Air Emissions | 4-11 | SASB is evaluating the revision of a metric associated with the topic to improve the decision-usefulness and alignment with other standards. | Include | |
| Oil and Gas – Midstream | Greenhouse Gas & Other Air Emissions | 4-12 | SASB is evaluating splitting the topic related to GHG Emissions and Other Air Emissions to ensure the standard is decision-useful to investors and cost-effective for companies. | Include with reservation | Please evaluate adequacy of underlying metrics. Splitting the topic does not necessarily make it more cost-effective and decision useful. Rewrite description as alignment with SASB's general issues categories. |
| Oil and Gas – Midstream | Operational Safety, Emergency Preparedness, and Response | 4-13 | SASB is evaluating the addition of a metric to improve the decision-usefulness of the standard. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|--------------------------------------|--|---------------|---|------------|--|
| Oil and Gas – Refining and Marketing | Health, Safety, and Emergency Management | 4-14 | SASB is evaluating splitting the topic related to Health, Safety, and Emergency Management to ensure the standard is decision-useful to investors and cost-effective for companies. | Include | |
| Oil and Gas – Refining and Marketing | Management of the Legal and Regulatory Environment | 4-15 | SASB is evaluating the revision of a metric associated with the topic to align with existing legal requirements. | Include | |
| Oil and Gas – Services | Activity Metrics | 4-16 | SASB is evaluating the addition of an activity metric associated to facilitate normalization of SASB's accounting metrics in a decision-useful, cost-effective manner. | Include | |
| Oil and Gas – Services | Water Management | 4-17 | SASB is evaluating the revision of a metric associated with the topic to improve cost-effectiveness and decision-usefulness. | Include | |
| Oil and Gas – Services | Chemicals Management | 4-18 | SASB is evaluating the revision of a metric associated with the topic to improve its cost-effectiveness and decision-usefulness. | Include | |
| Oil and Gas – Services | Chemicals Management | 4-19 | SASB is evaluating the removal of a metric associated with the topic. | Include | |
| Oil and Gas – Services | Ecological Impact Management | 4-20 | SASB is reviewing the technical protocol to improve the representativeness and completeness of the associated metric. | Include | |
| Oil and Gas – Services | Health, Safety, and Emergency Management | 4-21 | SASB is evaluating the revision of a metric associated with the topic to improve decision-usefulness and align with other standards. | Include | Note which standards we are aligning with in item description – internal or external |
| Oil and Gas – Services | Health, Safety, and Emergency Management | 4-22 | SASB is evaluating splitting the topic related to Health, Safety, and Emergency Management to ensure the standard is decision-useful to investors and cost-effective for companies. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------------------|--|---------------|--|--------------------------|---|
| Oil and Gas – Services | Business Ethics and Payments Transparency | 4-23 | SASB is evaluating the addition of a metric to improve the decision-usefulness of the standard by ensuring the set of metrics associated with the topic offer a complete, distributive, and representative assessment of Business Ethics and Payments Transparency risk. | Include with reservation | See prior comments on this topic |
| Oil and Gas – Services | Management of the Legal and Regulatory Environment | 4-24 | SASB is evaluating the revision of a metric associated with the topic to align with existing legal requirements. | Include | |
| Coal Operations | Workforce Health, Safety, and Well-Being | 4-25 | SASB is evaluating renaming the topic related to Health, Safety, and Emergency Management. | Include | |
| Metals and Mining | Water Management | 4-26 | SASB is reviewing the technical protocol to improve the decision-usefulness of the associated metric. | Include with reservation | Clarify intent of change – is it to add qualitative, or to remove quantitative metrics? Committee does not wish to remove quantitative metrics. |
| Metals and Mining | Security, Human Rights, and the Rights of Indigenous Peoples | 4-27 | SASB is reviewing the technical protocol to improve the decision-usefulness of the associated metric. | Include with reservation | See committee comments in proposal document. Clarify benefits of proposed change for issuers. |
| Metals and Mining | Workforce Health, Safety, and Well-Being | 4-28 | SASB is evaluating the revision of a metric associated with the topic to improve its decision-usefulness and to align with other standards. | Include | |
| Metals and Mining | Business Ethics and Payments Transparency | 4-29 | SASB is evaluating the addition of a metric to improve the decision-usefulness of the standard by ensuring the set of metrics associated with the topic offer a complete, distributive, and representative assessment of Business Ethics and Payments Transparency risk. | Include with reservation | See prior comments on issue. Address adequacy of using fines as metric. |
| Construction Materials | Workforce Health, Safety, and Well-Being | 4-30 | SASB is evaluating the revision of a metric associated with the topic to improve its decision-usefulness and cost-effectiveness. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|---------------------------|-----------------------|---------------|--|------------|--|
| Construction Materials | Product Innovation | 4-31 | SASB is evaluating the revision of a metric associated with the topic to ensure it is clearly defined for issuers. | Include | |

*** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"*



The Extractives & Minerals Processing committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion

Items for discussion:

1. E&Ps and Services companies and the responsibility for deciding water use and chemicals use in, e.g., fracking and therefore which industry is better positioned to report the metrics concerning water intensity and hazardous chemicals use.
2. The proposed addition of corruption management performance metrics to complement the existing risk exposure metrics in E&Ps and Services and Mining industries, and the suggested use of fines and penalties. (4-7)
3. 4-9 reserves valuation and cap ex – relevance of asking about renewables
4. Water management in metals and mining – clarify intent to augment quantitative metrics or to replace with qualitative



TRANSPORTATION COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Kurt Kuehn, Chair of Transportation Sector Committee
CC : Jean Rogers, Jeff Hales
Date : 06 /20/17

MEMBERS:

Chair: Kurt Kuehn
Board Members: Jean Rogers, Jeff Hales
SASB Staff liaison: Nashat Moin

REPORT

The Transportation Sector Committee has reviewed the proposed Technical Agenda for the Transportation sector as prepared by the Sector Analyst, Nashat Moin. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed 9 industries in the Transportation Sector. The proposed items were distributed as follows:

Automobiles: 3 items
Auto Parts: 4 items
Car Rental & Leasing: 0 items
Airlines: 2 items
Air Freight & Logistics: 3 items
Marine Transportation: 1 item
Cruise Lines: 2 items
Rail Transportation: 1 item
Road Transportation: 1 item

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).



Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Transportation Sector.

In summary, the committee agrees with the staff recommendations for 11 items, disagrees with 8 (and recommends excluding them from the technical agenda), and proposes 3 items for discussion.

TRANSPORTATION TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|-------------|------------------------------------|---------------|---|---------------------------|--|
| Automobiles | Fuel Economy & Use-phase Emissions | 5-1 | TR0101-09: SASB proposes expanding scope of the metric TR0101-09 “Sales-weighted average passenger fleet fuel economy consumption or emissions by region” to include air pollutants. | Include with reservation | Committee has concerns about relevance if market share is declining, and also about the appropriateness of adding lists of air pollutants to the 10-K. “Consumption or emissions” confusing way to frame underlying metric. Explain specifically what type of risk the metric is attempting to illuminate, and propose a comparable metric. Air pollution is a different issue than fuel efficiency and shouldn't be lumped together in same metric. |
| Automobiles | Fuel Economy & Use-phase Emissions | 5-2 | SASB proposes adding a qualitative metric, “Description of short-term and long-term strategy to meet or exceed emission-reduction targets as well as discussion of internal controls that ensure compliance with emission regulations.” | Include with reservation. | Market context will need to be provided. Add manufacturing resource efficiency to research agenda. Evidence shows that U.S companies have difficulty competing and cost is significant driver. It is missing from underlying standard. |
| Automobiles | Materials Sourcing | 5-3 | SASB proposes splitting this topic into two distinct disclosure topics: Human Rights Risks in the Supply Chain and Critical Minerals. | Include | |
| Auto Parts | Materials Sourcing | 5-4 | SASB proposes splitting this topic into two distinct disclosure topics: Human Rights Risks in the Supply Chain and Critical Minerals. | Include | |

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------|-------------------------------------|---------------|---|--------------------------|---|
| Auto Parts | Energy Management | 5-5 | SASB proposes removing the topic "Energy Management." | Exclude | No committee consensus. Data for immateriality not convincing, and it is against industry trend. Cost pressure will increase the importance of managing resources and will make this a more significant % of operating expenses. Committee recommends evaluating topic for inclusion in automobiles for same reason. Research agenda should address resource efficiency in manufacturing in general. |
| Auto Parts | Product Lifecycle Management | 5-6 | TR0102-04: SASB proposes replacing metric TR0102-04 "Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions" with "Revenue from products aimed at improved fuel efficiency and/or reduced emissions." | Include with reservation | Address language "aimed at". Agenda item as written needs to be edited and products defined. See comments on draft. |
| Auto Parts | Product Lifecycle Management | 5-7 | TR0102-06: SASB proposes to replace metric TR0102-06 "Weight of products and materials recycled or remanufactured" at the end of life with "Percentage of raw materials from (1) recycled content (2) renewable resources." | Include | |
| Airlines | Environmental Footprint of Fuel Use | 5-8 | TR0201-04: SASB proposes removing provisional metric TR0201-04 "Notional amount of fuel hedged, by maturity date." | Include | Rationale for removing is that it is already disclosed in 10-K. |
| Airlines | Environmental Footprint of Fuel Use | 5-9 | SASB proposes changing topic name from "Environmental Footprint of Fuel Use" to "Greenhouse Gas Emissions." | Exclude | The name change is not desirable due to broader scope of topic beyond GHG emissions. Committee recommends leaving topic name the same but looking at underlying metrics for completeness (specifically, an efficiency metric is suggested for inclusion) whether they are up to date with respect to EU mandates, and alignment with TCFD. TA item would be "SASB proposes evaluating underlying metrics for completeness, relevance and alignment with other frameworks such as TCFD." |

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-------------------------|-------------------------------------|---------------|--|---------------------------|---|
| Air Freight & Logistics | Environmental Footprint of Fuel Use | 5-10 | SASB proposes splitting this topic into "Greenhouse Gas Emissions" and "Air Quality." | Include with reservation. | Committee does not view name change as appropriate due to broader scope of topic, but sees inconsistent approach to metrics under this topic for airlines vs. air freight. Consider adding efficiency metrics to air freight and air quality to airlines for completeness of disclosure and consistency. |
| Air Freight & Logistics | Fair Labor Practices | 5-11 | SASB proposes changing topic name from "Fair Labor Practices" to "Labor Practices." | Include | |
| Air Freight & Logistics | Supply Chain Management | 5-12 | SASB proposes changing topic name from "Supply Chain Management" to "Environmental & Safety Performance of Contractors & Suppliers." | Exclude | |
| Marine Transportation | Environmental Footprint of Fuel Use | 5-13 | SASB proposes splitting this topic into "Greenhouse Gas Emissions" and "Air Quality." | Exclude. | Name change is not a focus. Metrics are complete in this industry, providing the ability to interpret positioning and performance on this topic: energy efficiency, energy use, GHG emissions and their management, and air quality. Address alignment issues of the underlying metrics associated with this topic in other industries where it appears, as well as TCFD. |
| Cruise Lines | Fuel Use and Air Emissions | 5-14 | SASB proposes splitting this topic into "Greenhouse Gas Emissions" and "Air Quality." | Exclude. | Name change is not a priority. Assess alignment and completeness of metrics, they seem ok as stated in provisional standard. |
| Cruise Lines | Fair Labor Practices | 5-15 | SASB proposes changing topic name from "Fair Labor Practices" to "Labor Practices." | Include. | |
| Rail Transportation | Environmental Footprint of Fuel Use | 5-16 | SASB proposes splitting this topic into "Greenhouse Gas Emissions" and "Air Quality." | Exclude | Committee is not focused on name change but rather the underlying consistency of the approach and alignment of metrics. If metrics need to change, include on TA. |
| Road Transportation | Environmental Footprint of Fuel Use | 5-17 | SASB proposes splitting this topic into "Greenhouse Gas Emissions" and "Air Quality." | Exclude | Committee is not focused on name change but rather the underlying consistency of the approach and alignment of metrics. Include fuel efficiency of fleet. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------|----------------------------|---------------|-----------------|------------|---|
| Automobiles | Conflict Minerals | 5-18 | TR0101-11,12,13 | | Include on TA |
| Airlines | Customer Welfare | 5-19 | New topic | Exclude | |
| Marine Transportation | Port side emissions, Noise | 5-20 | New topic | | Include on RA. Address port side emissions which are now regulated in some places and noise emissions which are also lost energy and have marine impacts. |

** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"



The Transportation committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) Approach to fuel impacts in all transportation industries: Not name changes or topic splits. Address quality of underlying disclosure. Metrics need to be synced up across industries to be complete, up to date, and aligned with TCFD. Need aggregate use, efficiency of fleet, GHG emissions, targets, management strategy, and positioning with respect to regulations if applicable.
- 2) Customer welfare in airlines – new TA item
- 3) Research agenda: Ride sharing, Driverless technology, data security in automobiles – how will it affect industry and society.



SERVICES COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Daniel Goelzer, Chair of Services Sector Committee
CC: Jeffrey Hales, Robert Hirth
Date: 6/23/2017

MEMBERS

Chair: Daniel Goelzer
Members: Jeffrey Hales, Robert Hirth
SASB Liaison: Sonya Hetrick

REPORT

The Services Sector Committee has reviewed the proposed Technical Agenda for the Services Sector as prepared by the Sector Analyst, Sonya Hetrick. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed seven industries in the Services Sector. The proposed items were distributed as follows:

Education: 2 items

Professional & Commercial Services: 2 items

Hotels & Lodging: 4 items

Casinos & Gaming: 2 items

Leisure Facilities: 2 items

Advertising & Marketing: 1 item

Media & Entertainment: 1 item

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will



conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).

Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Services Sector.

In summary, the committee agrees with the staff recommendations for 17 items, disagrees with 1 (and recommends excluding them from the technical agenda), and proposes 3 items for discussion.



SERVICES TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|------------------------------------|---|---------------|---|---------------------------|---|
| Education | Data Security | 6-1 | SASB is evaluating the addition of a Data Security disclosure topic, with related metrics. | Include | Address which independent management standards might be appropriate. |
| Education | Quality of Education & Gainful Employment | 6-2 | SASB is considering adding a new metric related to student demographics to the existing metrics for this disclosure topic. | Exclude | Unclear how to interpret a low or high performance on the metric. |
| Professional & Commercial Services | Data Security | 6-3 | SASB is updating a cross-cutting cybersecurity metric and the associated technical protocol to align with best practices developed in later Sectors. | Include. | |
| Professional & Commercial Services | Professional Integrity | 6-4 | SASB is evaluating the clarity of the Technical Protocol for metric SV0102-021. | Include with reservation. | Committee questions whether the magnitude of the fine is a meaningful and comparable indicator of integrity. Committee asks for re-evaluation of proposed metric. |
| Hotels & Lodging | Energy & Water Management | 6-5 | SASB is evaluating splitting this disclosure topic to distinguish between the different sustainability impacts and management practices associated with energy and water. | Include with reservation | Committee suggests aligning topic names with general issues categories. Importantly, resource efficiency metrics need to be included under these new topics for energy and water. Evaluate industry norms for disclosure of energy and water intensity in hotels. |
| Hotels & Lodging | Fair Labor Practices | 6-6 | SASB is evaluating revising the name of this disclosure topic. | Include | |
| Hotels & Lodging | Fair Labor Practices | 6-7 | SASB is evaluating the decision-usefulness of metric SV0201-082. | Include with reservation | Address segment reporting |

¹ SV0201-02: Amount of legal and regulatory fines and settlements associated with professional integrity or duty of care

² SV0201-08: Average hourly wage for hotel employees, by region; percentage of hotel employees earning minimum wage



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-------------------------|---|---------------|---|---------------------------|---|
| Hotels & Lodging | Ecosystem Protection & Climate Adaptation | 6-8 | SASB is evaluating splitting this disclosure topic to distinguish between the different management practices and financial impacts associated with biodiversity and climate risk. | Include with reservation. | Committee suggests aligning with SASB general issue category names: climate impacts and ecological impacts. Additionally, look at suitability and completeness of underlying metrics, in addition to alignment with TCFD. Address materiality of Ecosystem Protection (ecological impacts) for all property types. Is there a property designation for which this might be a material disclosure? (E.g. For properties located in sensitive ecological environments?). This won't apply to urban properties. |
| Casinos & Gaming | Political Spending | 6-9 | SASB is evaluating removing this disclosure topic. | Include | |
| Casinos & Gaming | Activity Metrics | 6-10 | SASB is evaluating the decision-usefulness of metric SV0202-C3. | Include | Committee suggests only including disclosure on active accounts. |
| Leisure Facilities | Customer & Worker Safety | 6-11 | SASB is evaluating splitting this disclosure topic to distinguish between the different management practices and financial impacts associated with customer and worker safety. | Include with reservation. | Committee is not convinced of the materiality of worker safety. |
| Leisure Facilities | Customer & Worker Safety | 6-12 | SASB is evaluating the decision-usefulness of metric SV0204-034. | Include with reservation | Committee is not convinced of the materiality of worker safety. |
| Advertising & Marketing | Advertising Integrity | 6-13 | SASB is evaluating the decision-usefulness of metric SV0301-035. | Include with reservation | Technical protocol needs to address meaning of "services" |

³ SV0202-C: Number of online gaming accounts

⁴ SV0204-03: Employee (1) Total Recordable Injury Rate and (2) Near Miss Frequency Rate

⁵ SV0301-03: Percentage of campaigns that promote products or services deemed socially harmful and subject to restrictions or taxes on use



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------|---|---------------|---|----------------|---|
| Media & Entertainment | Journalistic Integrity & Sponsorship Identification | 6-14 | SASB is evaluating the cost-effectiveness and decision-usefulness of metric SV0302-026. | Include for TA | Delete this metric from standard. |
| Leisure Facilities | Water management | 6-15 | New topic | Include for TA | Address water management for leisure facilities such as theme parks, spas, golf courses, etc. Total use, % from water stressed regions, efficiency or intensity, % recycled, etc. |
| Hotels | Worker Safety | 6-16 | New topic | Include for TA | Address worker harassment on the job |
| Casinos | Worker Safety | 6-17 | New topic | Include for TA | Address worker harassment on the job |

** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"

⁶ SV0302-02: Fact-checking expenses as a percentage of news production costs



The Services committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) 6-4. Professional Integrity. Fines and their appropriateness and comparability
- 2) 6-16 and 6-17. Worker safety in hotels and casinos
- 3) RA: on-line hospitality services (Airbnb model) – safety, insurance, economic effect on customers, communities and effect on traditional hotels



RESOURCE TRANSFORMATION COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Lloyd Kurtz, Chair of Resource Transformation Sector Committee
CC: Dan Goelzer, Jean Rogers
Date: 06/16/2017

MEMBERS

Chair: Lloyd Kurtz
Members: Dan Goelzer, Jean Rogers
SASB Liaison: Henrik Cotran

REPORT

The Resource Transformation Sector Committee has reviewed the proposed Technical Agenda for the Resource Transformation sector as prepared by the Sector Analyst, Henrik Cotran. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed five industries in the Resource Transformation Sector. The proposed items were distributed as follows:

Chemicals: 9 items

Aerospace & Defense: 4 items

Electrical & Electronic Equipment: 5 items

Industrial Machinery: 3 items

Containers & Packaging: 8 items

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).

Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Resource Transformation Sector.



In summary, the committee agrees with the staff recommendations for 25 items, disagrees with 4 (and recommends excluding them from the technical agenda), and proposes 3 items for discussion.



RESOURCE TRANSFORMATION TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|-----------|--|---------------|--|--------------------------|--|
| Chemicals | Safety & Environmental Stewardship of Chemicals & Genetically Modified Organisms | 7-1 | SASB is evaluating splitting this topic to distinguish between the different sustainability impacts and management practices associated with chemicals and genetically modified organisms. | Include | |
| Chemicals | Air Quality | 7-2 | SASB is considering the removal of the accounting metric. | Include | |
| Chemicals | Community Relations | 7-3 | SASB is evaluating the addition of a disclosure topic. | Include | Committee wishes to understand what metric is proposed, and the alignment with GRI et al |
| Chemicals | Energy & Feedstock Management | 7-4 | SASB is considering removing the metric. | Include | |
| Chemicals | Energy & Feedstock Management | 7-5 | SASB is evaluating revising the Technical Protocol. | Include | |
| Chemicals | Hazardous Waste Management | 7-6 | SASB is evaluating providing a more internationally aligned definition of hazardous waste for the related technical protocol. | Include with reservation | Proposal is unclear as to the relevance and appropriateness of the change from an EPA metric to a Basel Convention metric for companies in the reporting group. Which one is in greater use for companies that prepare 10-Ks and 20-Fs? Alignment with GRI is preferred, if possible and appropriate. |
| Chemicals | Health, Safety, and Emergency Management | 7-7 | SASB is considering removing a metric. | Include with reservation | The committee is not convinced that this metric should be removed. It provides important forward looking information regarding “near misses.” The lack of a common definition is not a reason to delete, nor are difficulties interpreting. Companies must do this for compliance, so it is not a cost burden. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------------------|--|---------------|---|--------------------------|---|
| Chemicals | Political Spending | 7-8 | SASB is evaluating changing the name of this disclosure topic. | Include with reservation | This isn't a name change, it's a topic deletion. Address the TA item description. |
| Chemicals | Political Spending | 7-9 | SASB is considering revising the metrics associated with the Management of the Legal & Regulatory Policy in order to address the fair representation and alignment of disclosure. | Include with reservation | The TA item that is proposed doesn't match topic name or item name. See committee comments. New metric proposed is "Discussion of regulatory environment related to ESG factors and description of efforts to manage risks and opportunities presented." Rewrite TA item to be a new topic (different name) with this metric. |
| Electrical & Electronic Equipment | Product Lifecycle Management & Innovation for Environmental Efficiency | 7-10 | SASB is considering splitting the disclosure topic. | Include with reservation | Evidence needs to be strengthened. Ensure adequacy of underlying metrics for two distinct topics. |
| Electrical & Electronic Equipment | Product Lifecycle Management & Innovation for Environmental Efficiency | 7-11 | SASB is considering the removal of an accounting metric. | Include | |
| Electrical & Electronic Equipment | Product Lifecycle Management & Innovation for Environmental Efficiency | 7-12 | SASB is evaluating revising the Technical Protocol. | Include | Agenda item description needs to include the reference to the accurate metric. It is RT 0202-07 |
| Electrical & Electronic Equipment | Materials Sourcing | 7-13 | SASB is considering renaming the disclosure topic. | Exclude | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------------------|--|---------------|---|--------------------------|--|
| Electrical & Electronic Equipment | Materials Sourcing | 7-14 | SASB proposes to revise the metrics that address the use of conflict minerals. | Include with reservation | See committee comments. Adjust evidence to focus on scarcity as the material issue, and the conditions that create it. Address RT0202-14 and 15. |
| Aerospace & Defense | Hazardous Waste Management | 7-15 | SASB is evaluating providing a more internationally focused definition of hazardous waste for the related technical protocol. | Include with reservation | See comments on 7-6 |
| Aerospace & Defense | Data Security | 7-16 | SASB is considering the addition of a metric. | Include with reservation | Confirm the availability of a 3rd party certification that is appropriate and cost-effective. |
| Aerospace & Defense | Materials Sourcing & Supply Chain Management | 7-17 | SASB is considering splitting the disclosure topic. | Include | |
| Aerospace & Defense | Materials Sourcing & Supply Chain Management | 7-18 | SASB proposes to revise the metrics that address the use of conflict minerals. | Include | Address both RT 0201-16 and 17 |
| Industrial Machinery & Goods | Fuel Economy in Use-phase | 7-19 | SASB is considering revising the scope of the metric. | Include | |
| Industrial Machinery & Goods | Materials Sourcing | 7-20 | SASB is considering renaming the disclosure topic. | Exclude | |
| Industrial Machinery & Goods | Materials Sourcing | 7-21 | SASB proposes to revise the metrics that address the use of conflict minerals. | Include | Address both RT 0203-09 and 10 |
| Containers & Packaging | Product Lifecycle | 7-22 | SASB is evaluating revising the Technical Protocol. | Include | |
| Containers & Packaging | Air Quality | 7-23 | SASB is evaluating revisions to the technical protocol. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------------------|--------------------|---------------|---|---------------------------|---|
| Containers & Packaging | Energy Management | 7-24 | SASB is evaluating revising the Technical Protocol. | Include | |
| Containers & Packaging | Waste Management | 7-25 | SASB is considering revising the scope of the metric. | Exclude | |
| Containers & Packaging | Waste Management | 7-26 | SASB is evaluating providing a more internationally focused definition of hazardous waste for the related technical protocol. | Include with reservations | Address how many companies this applies to in the evidence. Similar to prior comments on moving from US to global metric. |
| Containers & Packaging | Product Safety | 7-27 | SASB evaluating to revise the Technical Protocol of the metric. | Exclude | |
| Containers & Packaging | Materials Sourcing | 7-28 | SASB is considering revising the metric. | Include | |
| Containers & Packaging | Materials Sourcing | 7-29 | SASB is considering revising the technical protocol. | Include | |

** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"



The [sector] committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) 7-3 Community Relations metric – alignment with GRI? Mining?
- 2) 7-6 Move to Basel Convention from EPA
- 3) 7-16 Data Security- 3rd party certification



FOOD & BEVERAGE COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Stephanie Tang, Chair of Food & Beverage Sector Committee
CC: Elizabeth Seeger, Lloyd Kurtz
Date: DD/MM/YY

MEMBERS

Chair: Stephanie Tang
Members: Elizabeth Seeger, Lloyd Kurtz
SASB Liaison: Levi Stewart

REPORT

The Food & Beverage Sector Committee has reviewed the proposed Technical Agenda for the Food & Beverage sector as prepared by the Sector Analyst, Levi Stewart. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed 8 industries in the Food & Beverage Sector. The proposed items were distributed as follows:

Agricultural Products: 10 items

Meat, Poultry & Dairy: 3 items

Processed Foods: 2 items

Non-Alcoholic Beverages: 1 item

Alcoholic Beverages: 2 items

Tobacco: 3 items

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).



Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Food & Beverage Sector.

In summary, the committee agrees with the staff recommendations for 21 items, disagrees with 0 (and recommends excluding them from the technical agenda), and proposes 1 item for discussion.

FOOD & BEVERAGE TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|-----------------------|---|---------------|---|------------|--|
| Agricultural Products | Other / Industry structure | 8-1 | SASB is evaluating the operations of issuers in the Agricultural Products industry focusing on the industry structure and relevance of proposed topics and metrics. | Include | |
| Agricultural Products | Greenhouse Gas Emissions | 8-2 | SASB is evaluating suitability of the metric, including cost-effectiveness and decision-usefulness. | Include | |
| Agricultural Products | Water Withdrawal | 8-3 | SASB is evaluating revising the name of this disclosure topic. | Include | Are the existing metrics adequate to capture this renamed disclosure topic? |
| Agricultural Products | Water Withdrawal Land Use & Ecological Impacts | 8-4 | SASB is evaluating the relevance of capturing wastewater impacts through the Land Use & Ecological Impacts topic. | Include | Are there any remaining metrics remaining under the Land Use & Ecological Impacts disclosure topic, and if so, are they adequate? |
| Agricultural Products | Land Use & Ecological Impacts | 8-5 | SASB is evaluating the suitability of the Land Use & Ecological Impacts topic including its relevance to companies in the industry. | Include | Note that acceptance of TA #8-5 would require acceptance of TA #8-4 if we don’t want to lose the metric moved by acceptance of #8-4. Additionally, the committee would like to know that the issues covered by this disclosure topic are captured in the appropriate industry, since the rationale for removal of this topic is based on its irrelevance to this industry, but not to its irrelevance in general. |
| Agricultural Products | Food Safety & Health Concerns | 8-6 | SASB is evaluating splitting this topic to distinguish between the different sustainability impacts and management practices associated with product quality and safety and customer welfare. | Include | Are existing metrics adequate for these topics as separate topics? Committee would like to see metrics pertaining to GMO Management topic. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------|---|---------------|---|------------|---|
| Agricultural Products | Fair Labor Practices & Workforce Health & Safety | 8-7 | SASB is evaluating the suitability of the angle on labor practices that relate to farming operations including the relevance of such impacts to the direct operations of companies in the industry. | Include | As in TA #8-5, the committee would like to know that the issues covered by the metrics suggested for removal are captured in the appropriate industry. |
| Agricultural Products | Fair Labor Practices & Workforce Health & Safety | 8-8 | SASB is evaluating revising the name of this disclosure topic. | Include | Are the existing metrics adequate for the renamed topic? |
| Agricultural Products | Climate Change Impacts on Crop Yields | 8-9 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | Committee would like to see the language used to describe this agenda item reviewed for consistency with TA items 8-3 and 8-7, since the rationale for change is analogous (topic is not pertinent to this industry but to another industry). |
| Agricultural Products | Environmental & Social Impacts of the Ingredient Supply Chain | 8-10 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | As for TA #8-9, the committee would like to see the language used to describe this agenda item reviewed for consistency with TA items 8-3 and 8-7, since the rationale for change is analogous (topic is not pertinent to this industry but to another industry). |
| Meat, Poultry & Dairy | Water Withdrawal | 8-11 | SASB is evaluating revising the name of this disclosure topic. | Include | Are existing metrics adequate for the renamed topic? |
| Meat, Poultry & Dairy | Water Withdrawal Land Use & Ecological Impacts | 8-12 | SASB is evaluating the relevance of capturing wastewater impacts through the Land Use & Ecological Impacts topic. | Include | |
| Meat, Poultry & Dairy | Land Use & Ecological Impacts | 8-13 | SASB is evaluating suitability of the metrics, including cost-effectiveness and decision-usefulness. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-------------------------|----------------------------------|---------------|--|------------|--|
| Processed Foods | Health & Nutrition | 8-14 | SASB is evaluating suitability of the metric, including its cost-effectiveness and decision-usefulness. | Include | |
| Processed Foods | Product Labeling & Marketing | 8-15 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | |
| Non-Alcoholic Beverages | Product Labeling & Marketing | 8-16 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | |
| Alcoholic Beverages | Responsible Drinking & Marketing | 8-17 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | |
| Alcoholic Beverages | Responsible Drinking & Marketing | 8-18 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | |
| Tobacco | Activity Metric | 8-19 | SASB is evaluating suitability of the metric, including cost-effectiveness and decision-usefulness. | Include | |
| Tobacco | Marketing Practices | 8-20 | SASB is evaluating suitability of the metric, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include | |
| Tobacco | Public Health | 8-21 | SASB is evaluating suitability of the metric, including cost-effectiveness and decision-usefulness. | Include | Are there other 'tobacco harm reduction' products that are not 'heat not burn' products? |

** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"



The Food & Beverage committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) Removal of certain topics and metrics has been suggested based on the assessment that they applied to a different industry. Committee would like to see that these same topics are present for the industries for which they are more appropriate.



CONSUMER GOODS COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Elizabeth Seeger, Chair of Consumer Goods Sector Committee
CC: Stephanie Tang, Kurt Kuehn
Date: 06/20/17

MEMBERS

Chair: Elizabeth Seeger
Members: Stephanie Tang, Kurt Kuehn
SASB Liaison: Nashat Moin (Interim)

REPORT

The Consumer Goods Sector Committee has reviewed the proposed Technical Agenda for the Consumer Goods sector as prepared by the Sector Analyst, Gabriella Vozza and Nashat Moin. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed 4 industries in the Consumer Goods Sector. The proposed items were distributed as follows:

Apparel, Accessories & Footwear: 3 items
Appliance Manufacturing: 1 items
Multiline and Specialty Retailers & Distributors: 2 items
E-Commerce: 3 items

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).

Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Consumer Goods Sector.



In summary, the committee agrees with the staff recommendations for 9 items, disagrees with 0 (and recommends excluding them from the technical agenda), and proposes 1 item for discussion.



CONSUMER GOODS TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|--|--|---------------|---|------------|--|
| Apparel, Accessories & Footwear | Raw Materials Sourcing & Innovation | 9-1 | SASB is evaluating the suitability of metric CN0501-03 “Top five raw materials used in products, by weight”, including cost-effectiveness and alignment with other standards (namely the Higg Index). | Include | |
| Apparel, Accessories & Footwear | Raw Materials Sourcing & Innovation | 9-2 | SASB is evaluating revising the name of this disclosure topic for suitability. | Include | |
| Apparel, Accessories & Footwear | Labor Conditions in the Supply Chain | 9-3 | SASB is evaluating the suitability of metric CN0501-06 “Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits”, including decision-usefulness and alignment with other standards. | Include | |
| Appliance Manufacturing | Product Safety | 9-4 | SASB is evaluating the suitability of metric CN0601-01 “Number of recalls and total units recalled”, including decision-usefulness | Include | |
| Multiline and Specialty Retailers & Distributors | Fair Labor Practices | 9-5 | SASB is evaluating revising the name of this disclosure topic for internal and external alignment. | Include | |
| Multiline and Specialty Retailers & Distributors | Workforce Diversity & Inclusion | 9-6 | SASB is evaluating the technical protocol for metric CN0403-04 “Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees” to improve its global applicability. | Include | |
| E-Commerce | Employee Recruitment, Inclusion, and Performance | 9-7 | SASB is evaluating the technical protocol for the metric CN0404-12 “Percentage of gender and racial/ethnic group representation for (1) executives, (2) technical staff, and (3) all others” to improve its global applicability. | Include | |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|------------|---|---------------|--|---------------------------|---|
| E-Commerce | Energy & Water Footprint of Hardware Infrastructure | 9-8 | SASB is evaluating revising the name of this disclosure topic for internal and external alignment. | Include | Are existing metrics adequate for the renamed topic? |
| E-Commerce | Data Privacy | 9-9 | SASB is evaluating revising the name of this disclosure topic for internal and external alignment. | Include with reservations | Committee would like assurance that data privacy topics are addressed consistently across industries. |

** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"



The Consumer Goods committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) As relates to TA #9-9, the committee would like assurance that data privacy topics are addressed consistently across industries.



RENEWABLE RESOURCES & ALTERNATIVE ENERGY COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Stephanie Tang, Chair of Renewable Resources & Alternative Energy Sector Committee
CC: Jeff Hales, Kurt Kuehn
Date: 06/15/2017

MEMBERS

Chair: Stephanie Tang
Members: Jeff Hales, Kurt Kuehn
SASB Liaison: Henrik Cotran

REPORT

The Renewable Resources & Alternative Energy Sector Committee has reviewed the proposed Technical Agenda for the sector as prepared by the Sector Analyst, Henrik Cotran. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed six industries in the Renewable Resources & Alternative Energy Sector. The proposed items were distributed as follows:

Biofuels: 1 item

Solar Energy: 2 items

Wind Energy: 2 items

Fuel Cells & Industrial Batteries: 3 items

Pulp & Paper Products: 2 items

Forestry Management: 1 item

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will



conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).

Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Renewable Resources & Alternative Energy Sector.

In summary, the committee agrees with the staff recommendations for 11 items, disagrees with 3 (and recommends excluding them from the technical agenda), and proposes 2 items for discussion.

RENEWABLE RESOURCES TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|-----------------------------------|------------------------------------|---------------|---|--------------------------|--|
| Biofuels | Product Formulation & Food Markets | 10-1 | SASB is considering removing a disclosure topic. | Include | |
| Fuel Cells & Industrial Batteries | Product Efficiency | 10-2 | SASB is considering splitting the disclosure topic. | Include with reservation | Provide evidence of relevance of both topics to companies in the industry. What % of revenue is derived from each activity. |
| Solar Energy | Materials Sourcing | 10-3 | SASB is considering renaming the disclosure topic. | Exclude | Proposal is not aligned with SASB’s general issues categories or the naming of the topic in other industries. |
| Solar Energy | Materials Sourcing | 10-4 | SASB is considering revising the metrics. | Include with reservation | Committee notes that the use of the word ‘broader’ in the description of the Benefits of this change is confusing, and recommends it be changed to ‘specific’. Rationale needs to be shifted to focus on resource scarcity and what gives rise to materiality. |
| Wind Energy | Materials Sourcing | 10-5 | SASB is considering renaming the disclosure topic. | Exclude | Proposal is not aligned with SASB’s general issues categories or the naming of the topic in other industries. |
| Wind Energy | Materials Sourcing | 10-6 | SASB is considering revising the metrics. | Include with reservation | Committee notes that the use of the word ‘broader’ in the description of the Benefits of this change is confusing, and recommends it be changed to ‘specific’. Rationale needs to be shifted to focus on resource scarcity and what gives rise to materiality. |
| Fuel Cells & Industrial Batteries | Materials Sourcing | 10-7 | SASB is considering renaming the disclosure topic. | Exclude | Proposal is not aligned with SASB’s general issues categories or the naming of the topic in other industries. |
| Fuel Cells & Industrial Batteries | Materials Sourcing | 10-8 | SASB is considering revising the metrics. | Include with reservation | Committee notes that the use of the word ‘broader’ in the description of the Benefits of this change is confusing, and recommends it be changed to ‘specific’. Rationale needs to be shifted to focus on resource scarcity and what gives rise to materiality. |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-----------------------|------------------------------|---------------|--|--------------------------|---|
| Pulp & Paper Products | Air Quality | 10-9 | SASB is evaluating revisions to the technical protocol. | Include with reservation | Indicate alignment with other standards and what the industry practices are for reporting these substances. |
| Pulp & Paper Products | Energy Management | 10-10 | SASB is considering revising the technical protocol to the metric. | Include | Note that the Technical Agenda document marks this Agenda item as TA #10-15 in error |
| Forestry Management | Ecosystem Services & Impacts | 10-11 | SASB is considering revisions to the technical protocol. | Include | Note that the Technical Agenda document marks this Agenda item as TA #10-16 in error |

****Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"**



The Renewable Resource & Alternative Energy Sector Committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) Fuel Cells Product Efficiency- (batteries v fuel cells) relevance to companies in the industry
- 2) Materials sourcing – frame as resource scarcity, what gives rise to materiality (lack of abundance, reliance, no substitution, etc.).



INFRASTRUCTURE SECTOR COMMITTEE REPORT

To: Jean Rogers, Chair of SASB Standards Board
From: Jean Rogers, Chair of Infrastructure Sector Committee
CC: Verity Chegar, Kurt Kuehn
Date: 6/23/2017

MEMBERS

Chair: Jean Rogers
Members: Verity Chegar, Kurt Kuehn
SASB Liaison: Bryan Esterly

REPORT

The Infrastructure Sector Committee has reviewed the proposed Technical Agenda for the Infrastructure sector as prepared by the Sector Analyst, Bryan Esterly. The document reviewed is dated 6/9/2017. All Committee members reviewed the materials during the period of 6/9/2017 to 6/20/2017. This report represents the summary of the Committee view on the Technical Agenda.

The scope of review encompassed 4 industries in the Infrastructure Sector. The proposed items were distributed as follows:

Electric Utilities & Power Generators: 5 items

Gas Utilities & Distributors: 2 items

Water Utilities & Services: 3 items

Engineering & Construction Services: 1 item

The Technical Agenda is comprised of items that may be appropriate to address for updates to the standards. Generally, these are areas where the staff has focused its consultation efforts and where: (i) significant new stakeholder input has been obtained since the release of the provisional standards, (ii) there is a recent regulation/event/scientific advancement that highlights the need for change to the standards, and/or (iii) there is a need to rationalize the approach for a cross-cutting topic that affects multiple industries or sectors.

The Technical Agenda sets the priorities and research areas for the SASB staff. Inclusion of an item on the Technical Agenda does not guarantee that it will result in an Update to the Standards. Instead these are items for consideration by SASB staff, and for which staff will conduct additional research and outreach before recommending Updates to the Standards (in the form of an Exposure Draft Standard).

Each Board Sector Committee has reviewed the Technical Agenda for its respective Sector. This report, prepared by the Board Sector Committee Chair, summarizes the Committee's findings and commentary on the Technical Agenda for the Infrastructure Sector.



In summary, the committee agrees with the staff recommendations for 12 items, disagrees with 0 (and recommends excluding them from the technical agenda), and proposes 3 items for discussion.

INFRASTRUCTURE TECHNICAL AGENDA COMMITTEE FINDINGS

The following summarizes the Board Sector Committee’s findings and commentary on the Technical Agenda:

| Industry | Topic | Agenda Item # | Description | Finding ** | Chair’s Comments Summarizing the Committee View (optional) |
|---------------------------------------|---|---------------|---|--------------------------|--|
| Electric Utilities & Power Generators | Greenhouse Gas Emissions & Energy Resource Planning | 11-1 | SASB is evaluating the addition of a new metric related to net greenhouse gas emissions associated with power deliveries (adjusted for power purchases and sales), in order to improve the usefulness and completeness of the metrics associated with the topic, as well as to further align with existing standards. | Include with reservation | Consider revising agenda item to be more concise. See committee comments. Address industry standards for disclosing this and completeness and/or redundancy of underlying metrics. What is the minimum set for complete disclosure on the topic. Address alignment with other frameworks such as CDP, GRI, and TCFD. Consider including an intensity metric (GHG/kWh delivered). |
| Electric Utilities & Power Generators | Community Impacts of Project Siting | 11-2 | SASB is evaluating the removal of the topic, based on its sustainability impacts, potential to affect corporate value, relevance across the industry, and interest among investors. | Include with reservation | Consider revising agenda item. SASB is evaluating the removal of the topic to improve the materiality of the standard. Address closure of old facilities. |
| Electric Utilities & Power Generators | Energy Affordability | 11-3 | SASB is evaluating the topic for potential addition to the standards, including corresponding metrics, based on its likelihood to constitute material information. | Include with reservation | Revise agenda item to be more concise. See committee comment. Address normalization issues, and evaluate if disclosure is needed by type of customer. |
| Electric Utilities & Power Generators | End-Use Efficiency & Demand | 11-4 | SASB is evaluating the addition of a new metric related to rate structures in order to improve the usefulness and completeness of the metrics associated with the topic, as well as to further align with existing standards. | Include | |
| Electric Utilities & Power Generators | Management of the Legal & Regulatory Environment | 11-5 | SASB is evaluating the removal of the metrics related to ethical violations with utility commissioners, and restricting the topic to political and regulatory influence. | Include | Consider revising agenda item to “SASB is evaluating revisions to the metrics to improve the decision-usefulness and neutrality of the standard” |



| Industry | Topic | Agenda Item # | Description | Finding ** | Chair's Comments Summarizing the Committee View (optional) |
|-------------------------------------|-------------------------------------|---------------|--|--------------------------|---|
| Gas Utilities & Distributors | End-Use Efficiency | 11-6 | SASB is evaluating the addition of a new metric related to the End-Use Efficiency topic in order to improve the usefulness and completeness of the metrics associated with the topic, as well as to further align with existing standards. | Include | |
| Gas Utilities & Distributors | Energy Affordability | 11-7 | SASB is evaluating the topic for potential addition to the standards, including corresponding metrics, based on its likelihood to constitute material information. | Include | See comments for 11-3. Consider "SASB is evaluating the addition of a new topic to improve the materiality and completeness of the standard." |
| Water Utilities & Services | Fair Pricing & Access | 11-8 | SASB is evaluating revising the name of this disclosure topic. | Include | Consider "Water Affordability and Access" which aligns with the SASB general issue taxonomy. |
| Water Utilities & Services | Fair Pricing & Access | 11-9 | SASB is evaluating suitability of the metrics, including cost-effectiveness, decision-usefulness, and alignment with other standards. | Include with reservation | See comments for 11-3. |
| Water Utilities & Services | End-Use Efficiency | 11-10 | SASB is evaluating the addition of a new metric related to the End-Use Efficiency topic in order to improve the usefulness and completeness of the metrics associated with the topic, as well as to further align with existing standards. | Include | |
| Engineering & Construction Services | Business Ethics & Bidding Integrity | 11-11 | SASB is evaluating revising the name of this disclosure topic. | Include | |
| Gas Utilities and Distributors | GHG Emissions | 11-12 | Consider including new topic | Include | Address fugitive emissions from pipelines |

** Please fill in with 1 of the 3 following options: "Include", "Include with Reservations", or "Exclude"



The Infrastructure committee wishes to raise the following items for discussion with the full board at its next meeting during the 1 hour allocated to the sector.

(1 item = 45 min, 2 items = 20 min each, 3 items = 15 min each: After 45 min of total discussion for this sector, the board will provide direction to the analyst to resolve outstanding issues by July 5 or remove items from the agenda that are not ready to bring forward.):

Please list up to 3, but no more than 3, items for discussion:

- 1) Structure of affordability metrics- energy, gas, water - cost /unit delivered, and year over year increases compared to CPI? 11-3, 11-7, 11-9
- 2) (Fugitive) emissions in gas distribution 11-12
- 3) GHG emissions in electric utilities (11-1), what is industry standard practice for disclosure, alignment with other frameworks