

GE Comments for proposed SASB standards:

1. GE appreciates the overall move towards reporting issues of importance/relevance versus the premise that all companies must report all metrics—SASB seems to be changing the dialogue on this concept.
2. We agree the sustainability disclosure should either contain or should point to text in the regulated disclosure that covers the following topics. We feel **these are the most important discussions and disclosures as they relate sustainability to strategy**. Additional guidance on how to do this efficiently and in a form that is crisp and to the point for investors would be helpful. The topics are (copied from SASB documents):
 - a. When disclosing information related to a sustainability topic identified by this Standard, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported, as appropriate. Such a description might in certain circumstances include a discussion of the following:
 - The registrant’s **governance** around the risks and opportunities related to the topic, including board oversight of and management’s role in assessing and managing such risks and opportunities.
 - The registrant’s **strategic approach** regarding actual and potential impacts of topic-related risks and opportunities on the organization’s **businesses, strategy, and financial planning**, over the **short, medium, and long term**.
 - The registrant’s process to **identify, assess, and manage** topic-related risks, and how these risks are integrated into the registrant’s overall risk management process.
3. Focus on Data & Metrics
 - a. Our impression is that much of the guidance focuses on data, e.g. *The registrant’s use of metrics or targets to assess and manage topic-related risks and opportunities; Data for the registrant’s last three completed fiscal years*. While most evaluators want to get to a “score” or “number”, sustainability is more about strategy and long-term thinking; our recommendation is to stress disclosures that provide more narrative insight versus quantitative benchmarks which could lose their context. There also seems to be an imbalance in the numeric metrics, with most focusing on tactical environmental issues, with far fewer on social issues and governance topics. Some of GE’s comments reflect that concern and the need to ensure each metric in the guidance will truly provide input on the company’s overall ESG or sustainability strategy.
 - b. We view some metrics, such as product recall and near misses, as learning opportunities and we find them less useful as a tracking rate metric. While it can be argued that a such a metric shows you have system weaknesses (bad), it can also show you have an engaged workforce that recognizes hazards and reports issues (good). Emphasizing metrics that can be viewed as both a positive and a negative it likely to generate confusion versus aid decision-making.

4. Specific comments on electricity sector metrics:

Topic	Accounting Metric	Category	Comment
Energy Management	Total energy consumed, percentage grid electricity, percentage renewable	Quantitative	The GHG metric (WRI-WBCSD guidance) is more relevant and requested by key stakeholders. The SASB version tells you very similar information; but forces users to estimate GHG data.
Hazardous Waste Management	Amount of hazardous waste, percentage recycled Number and aggregate quantity of reportable spills, quantity recovered	Quantitative Quantitative	Useful to some stakeholders, but hard to see what it tells you about the functioning of the EHS programs in the company. Amount of hazardous waste is very much a function of the specific process. Whether and how specific hazardous wastes should be recycled requires detailed risk analysis. Reportable spills are a function of the local regulations (some states require even very minor spills to be reported). If a responder has its own threshold, this could confuse regulators. Consider replacing with a more general discussion metric around the company's environmental management system and how that is assessed (e.g. external verification such as ISO 14000).
Product Safety	Number of recalls and total units recalled Amount of legal and regulatory fines and settlements associated with product safety	Quantitative Quantitative	Focusing on the number of recalls tends might discourage companies from doing voluntary recalls. Consider replacing with a discussion metric, such as How is product safety managed and governed?
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	This is very specific to the electronics industry v. the other companies covered by the SIC code. It implies that all products in the sector are covered by these rules, which they are not. Consider replacing with a discussion metric on how the company manages

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	Percentage of eligible products by revenue that meet ENERGY STAR® criteria	Quantitative	expectations for material phase out and replacement and anticipating regulatory change due to climate legislation.
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	
Business Ethics & Competitive Behavior	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	Agree important, but SASB should consider some guidance on the thresholds applicable to the data gathering in this area.
	Amount of legal and regulatory fines and settlements associated with charges of bribery or corruption	Quantitative	
	Amount of legal and regulatory fines and settlements associated with anti-competitive practices	Quantitative	
Materials Sourcing	Percentage of materials costs for items containing critical materials	Quantitative	Very difficult to calculate and would require far more data gathering than the SEC conflict minerals rule.
	Discussion of the management of risks		

Topic	Accounting Metric	Category	Comment
	associated with the use of critical materials	Discussion and Analysis	Similar to what listed companies must publish in their SEC conflict minerals disclosure. Why would SASB ask companies to do something different or more than that?

5. Metrics in the Industrial Machinery & Goods Guide which we found more relevant to our business operations than the ones for the electricity sector.

Topic	Accounting Metric	Category	Comment
Employee Health & Safety	(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate	Quantitative	Important to customers, especially in the project space. Add “or other H&S metrics in wide spread use”. Recommend using a finite number of fatalities vs. a rate; segmenting the information by severity; and address how to define “employee”, e.g. if contractors are to be included.
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles Sales-weighted fuel efficiency for stationary generators Sales-weighted emissions of nitrogen oxides and particulate matter for: marine diesel, locomotive diesel, on-road medium- and heavy-duty, and other non-road diesel engines	Quantitative Quantitative Quantitative	Our analysis shows that energy efficiency in the customer use phase can be truly impactful. The metrics suggested are very specific to individual categories of equipment. Would investors really be interested in product specific efficiency measures? Could it be handled with a discussion and broader business discussion instead? How are these issues relevant for the company’s customers and what is their strategy (R&D, etc.) to develop products customers will need in 5-10 years? This would also align better with the TFCG guidance.
Remanufacturing Design & Services	Revenue from remanufactured products	Quantitative	Agree recycling is important, but focusing on revenue generated by the company itself seems misplaced. Additionally, the returns

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	and remanufacturing services		on this kind of work may not be consistent with overall returns; and involve skill sets that are not core to the company. Recommend having it as a discussion metric focused on the process and impacts.
Materials Sourcing	Percentage of materials costs for items containing critical materials Discussion of the management of risks associated with the use of critical materials	Quantitative Discussion and Analysis	Very difficult to calculate and would require far more data gathering than the SEC rule. Business may be reluctant to publish this type of information due to concerns around use of proprietary materials and their strategic impact to business. Similar to what the SEC already requires to be disclosed in the Conflict Minerals rules. Why would SASB ask companies to do something different or more than that?