Sustainability Accounting Standards Board

SASB Standards Board Meeting

March 9, 2018
The SASB Standards Board
Responsible for standard setting, maintaining technical agendas, and proposing updates to the standards

Jean Rogers, PhD, PE
SASB Chair
Founder and CEO of SASB 2011-2017
Sector Chair for Infrastructure

Verity Chegar
Vice President and ESG Strategist, BlackRock
Sector Chair for Extractives & Minerals Processing

Robert Hirth, Jr.
Chairman, Committee of Sponsoring Organizations of the Treadway Commission (COSO)
Senior Managing Director, Protiviti
Sector Chair for Technology & Communications

Kurt Kuehn
Former CFO, UPS
Sector Chair for Transportation

Jeffrey Hales, PhD
SASB Vice Chair
Professor, Georgia Institute of Technology – Ernest Scheller Jr. College of Business
Sector Chair for Financials

Lloyd Kurtz, CFA
Senior Portfolio Manager, Head of Social Impact Investing, Wells Fargo Private Bank
Sector Chair for Health Care & Resource Transformation

Daniel (Dan) L. Goelzer, JD
Senior Counsel, Baker & McKenzie LLP, Inc.
Sector Chair for Services

Elizabeth Seeger
Director, KKR
Sector Chair for Consumer Goods

Stephanie Tang, JD
Senior Corporate Counsel and Assistant Corporate Secretary, the Clorox Company
Sector Chair for Food & Beverage and Renewable Resources & Alternative Energy

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The SASB: Strategic Priorities for the Standards Board

- Strengthen the standards
- Be more responsive to stakeholders
- Better communicate the value of the standards, including process and outcomes

*These strategic priorities will help us to strengthen the market responsiveness, materiality, cost-effectiveness, and decision-usefulness of the standards over time.*
## Agenda for Today’s Public Board Meeting

<table>
<thead>
<tr>
<th>Time</th>
<th>Agenda Item</th>
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<tbody>
<tr>
<td>9:30 – 10:00am</td>
<td>Public Comment Overview</td>
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<tr>
<td>10:00 – 10:40am</td>
<td>Extractives &amp; Minerals Processing Sector</td>
</tr>
<tr>
<td>10:45 - 11:05am</td>
<td>Renewable Resources &amp; Alternative Energy Sector</td>
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<tr>
<td>11:10am – 11:40am</td>
<td>Consumer Goods Sector</td>
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<tr>
<td>11:45 – 12:15pm</td>
<td>Food &amp; Beverage Sector</td>
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<tr>
<td>12:15pm – 1:15pm</td>
<td>BREAK</td>
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<tr>
<td>1:15 – 1:15pm</td>
<td>Health Care Sector</td>
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<tr>
<td>1:50 – 2:10pm</td>
<td>Services Sector</td>
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<tr>
<td>2:15 - 2:45pm</td>
<td>Infrastructure Sector</td>
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<tr>
<td>2:50 – 3:20pm</td>
<td>Technology &amp; Communications Sector</td>
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<td>3:25 – 4:05pm</td>
<td>Financials Sector</td>
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<tr>
<td>4:10 – 4:40pm</td>
<td>Transportation Sector</td>
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<tr>
<td>4:45 – 5:15pm</td>
<td>Resource Transformation Sector</td>
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<tr>
<td>5:15pm</td>
<td>Meeting Adjourned</td>
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Meeting Materials

The materials for today’s meeting can be found here:

https://www.sasb.org/standards/public-meetings-sasb/#meetings

Although today’s meeting is **not** interactive, attendees are encouraged to submit questions or comments to the Board at **comments@sasb.org** or to individual sector analysts emails.
Sustainability Accounting Standards Board

Overview of Public Comment Period

March 9, 2018

David S. Post, CFA
Director of Research
SASB Takes a Market-Informed Approach to Standards Development

Public comment periods are a critical component of SASB’s fundamental Market-Informed tenet.

**FUNDAMENTAL TENETS OF SASB’S APPROACH**
- Evidence-Based
- Industry-Specific
- Market-Informed

**APPROACH**

**OBJECTIVES**
- Material
- Decision-useful
- Cost-effective

**PRESENTATION**

**STANDARDIZED**

**CRITERIA FOR TOPIC SELECTION**
- Relevant across an industry
- Actionable by companies
- Reflective of stakeholder consensus
- Potential to affect value creation
- Of interest to investors

**PRINCIPLES FOR METRIC SELECTION**
- Fair Representation
- Useful
- Applicable
- Comparable
- Complete
- Verifiable
- Aligned
- Neutral
- Distributive

**Materiality Determination**
SASB Standards Development is Governed by Two Documents

Governance documents define the principles and process of SASB’s approach to standards development.

**SASB CONCEPTUAL FRAMEWORK**
Explains the Principles underlying SASB’s standard-setting activities and how they work together to produce SASB’s key objectives.

**SASB RULES OF PROCEDURE**
Describes the processes, practices, and procedures that SASB follows to develop material, decision-useful, cost-effective sustainability accounting standards.
Public Comments Posted on SASB.org
Efforts to be transparent about public comments and responses

sasb.org/public-comment-letters

Public Comment Period Letters
October 2, 2017–January 31, 2018

During SASB’s most recent public comment period, we received 300 letters from over 100 unique commenters. Comments were submitted from companies, investors, industry associations, and others across all 11 sectors. Comments were constructive in nature, generally reflecting a high level of detail and scrutiny on financial materiality issues. Two thirds of the comment letters were industry-specific. Industry associations represented the largest group of commenters, a positive sign given the breadth of companies represented by those organizations. Each of these comment letters are posted on this page by date received.

Public feedback is an integral part of our rigorous, transparent standards development process. It ensures that the standards we create for the market reflect the needs of companies, investors, and ultimately the broad economy. Read more about our process and what’s happening between now and when the finalized standards are launched in mid-2018.

January 29–31, 2018
Climate Disclosure Standards Board, 1-31-18
Partnership for Policy Integrity, 1-31-18
American Wood Council, 1-31-18
Sussman Mielke-Jones, Tracefi Ltd., 1-31-18
Demini Impact Investments, 1-31-18
Adeola Daramola, 1-31-18
NYU Stern Center for Business and Human Rights, ICAR, 1-31-18
Infinity Systems, 1-31-18
WRI, 1-31-18
As You Sow, 1-31-18
First Solar, Inc., 1-31-18
Investor Environmental Health Network / Chemical Footprint Project, 1-31-18
Etsy, 1-31-18
Covanta, 1-31-18
Scott Energy Technologies, 1-31-18
Joe O’Regan, O’Regan Consulting, 1-31-18
U.S. Tire Manufacturers Association, 1-31-18
Salesforce.com, Inc., 1-31-18
CalPERS, 1-31-18
Harry Lewis, 1-31-18
Sierra Club (Oil & Gas Midstream), 1-31-18
Sierra Club (Cross-Cutting), 1-31-18
Sierra Club (Oil & Gas E&G), 1-31-18
The Travelers Companies, 1-31-18
Wells Fargo Asset Management, 1-31-18
Global Affairs Associates, 1-31-18
Sara Schuen, Clarion Partners, 1-31-18
SustainAbility, 1-31-18
Suncor, 1-31-18
Delos Living, 1-31-18
University of Colorado First Peoples Investor Engagement Program, 1-31-18
Public Comment Summaries Posted on SASB.org

Efforts to be transparent about public comments and responses

1. Receive all comment letters
2. Break-up letters into components by Topic
3. Aggregate comments by Topic
4. Summarize and publish
5. sasb.org/standards/public-meetings-sasb/
Response to Comments

Stakeholder comments are a critical component to SASB standards development.

248 Basis for Conclusions (BFC)
77 Industry Exposure Draft Standards

All Research Deliverables Involve Peer & Committee Review Before Delivery to the SASB

5,350 HOURS OF SCHEDULED WORK ACROSS ALL TEAMS

STAKEHOLDER FEEDBACK
1. Execute Stakeholder Consultation Lookback
2. Review & Document 120 PCP letters/1,596 comments
3. Prepare PCP summaries for all industries
4. Review feedback with SASB sector committees

RESEARCH TEAM
1. Develop recommendations for sector committees review
2. Prepare revised/ new BfCs per sector committee feedback
3. Revise BfCs per sector committee feedback
4. Prepare final standards per revised BfCs
5. Internal & External Quality Control

UPDATES
Research Library Coding System Materiality Map SICS Navigator

CODIFIED STANDARDS
Public Comments Overview: All Comment Letters

Applicability of Comments

SUMMARY THEMES

1. Companies ask for fewer metrics with more D&A while investors ask for more metrics and less D&A
2. Comments were focused and detailed regarding metrics and technical protocols
3. Letters addressed climate change (46), human capital (30) and cybersecurity (13)

- 120 public comment letters received from 97 different individuals / organization
- Comments received in 67 of 77 industries
- 53% of 248 proposed changes received comments
- Most comments from Companies & Industry Associations

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<th>Sector</th>
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<td>Food &amp; Beverage</td>
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<td>Consumer Goods</td>
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<tr>
<td>Renewable Resources</td>
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<tr>
<td>Infrastructure</td>
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Amounts to 1,596 individual comments
Public Comment Letters Received
Selected submissions

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<tr>
<th>Associations</th>
<th>Issuers</th>
<th>Investors &amp; Asset Owners</th>
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<tr>
<td>AICPA</td>
<td>AT&amp;T</td>
<td>Breckinridge Capital</td>
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<td>Airlines for America</td>
<td>CalSTRS</td>
<td>CalPERS</td>
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<td>American Chemistry Council</td>
<td>Chevron</td>
<td>Domini</td>
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<td>American Coatings</td>
<td>Conoco Phillips</td>
<td>Longfellow Investments</td>
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<td>American Forest &amp; Paper Products*</td>
<td>Covanta</td>
<td>Office of NY State Comptroller</td>
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<tr>
<td>American Society of Safety Engineers</td>
<td>Duke Energy</td>
<td>Pinebridge Investments</td>
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<td>Association of Home Appliance Manufacturers</td>
<td>Etsy</td>
<td>Walden Asset Management</td>
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<td>Association of Metropolitan Water Agencies</td>
<td>First Solar</td>
<td>Wells Fargo Asset Management</td>
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<td>Green Electronics Council</td>
<td>Flextronics</td>
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<td>Institute of Internal Auditors</td>
<td>GE</td>
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<td>Marketing Accounting Standards Board</td>
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<td>National Council for Air and Stream Improvement</td>
<td>Morris International</td>
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<td>United Technologies</td>
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* Multiple submissions
Public Comment Letters Received

Comments received in all sectors, with a concentration in Extractives, Financials and Food & Beverage
## Research Team

Dedicated sector analysts follow industry issues, test materiality, and conduct deep consultation.

<table>
<thead>
<tr>
<th>Research Analyst</th>
<th>Sector Focus</th>
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<tbody>
<tr>
<td>David S. Post, CFA</td>
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### Sector Focus

- **Health Care**: Biotechnology & Pharmaceuticals; Medical Equipment & Supplies; Health Care Delivery; Health Care Distributors; Managed Care; Drug Retailers

- **Resource Transformation**: Chemicals; Aerospace & Defense; Electrical & Electronic Equipment; Industrial Machinery & Goods; Containers & Packaging

- **Food & Beverage**: Agricultural Products; Meat, Poultry & Dairy; Processed Foods; Non-Alcoholic Beverages; Alcoholic Beverages; Tobacco; Food Retailers & Distributors; Restaurants

- **Consumer Goods**: Apparel; Accessories & Footwear; Furniture; Home Furnishings; Toys & Sporting Goods; Multiline and Specialty Retailers & Distributors; E-commerce

- **Renewable Resources & Alternative Energy**: Biofuels; Solar Technology & Project Developers; Wind Technology & Project Developers; Fuel Cells & Industrial Batteries; Forestry Management; Pulp & Paper Products

- **Infrastructure**: Electric Utilities & Power Generators; Gas Utilities & Distributors; Water Utilities & Services; Waste Management Engineering & Construction Services; Home Builders; Real Estate; Real Estate Services

- **Research Analyst**: Supporting Extractives, Infrastructure and Consumer Goods
Public Comments Overview: Extractives & Mineral Processing Sector

Applicability of Comments

SUMMARY THEMES

1. High level of participation in the sector, with letters submitted by diverse set of stakeholder groups

2. Letters included highly-detailed, technical feedback focused on metrics and associated technical protocols

3. Issuers raised concerns regarding the suitability of specific metrics regarding the extent to which the fairly represent company management of topic-level issues

- 23 comment letters (18 entities)
- Majority from intermediaries & public interest groups
- 19 of 34 proposed changes were commented on
- 1/5 of actionable comments on proposed changes

### Industry # of Individual Comments

<table>
<thead>
<tr>
<th>Industry</th>
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<tbody>
<tr>
<td>Oil &amp; Gas – Exploration &amp; Production</td>
<td>209</td>
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<tr>
<td>Oil &amp; Gas – Midstream</td>
<td>33</td>
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<tr>
<td>Oil &amp; Gas – Refining &amp; Marketing</td>
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<tr>
<td>Oil &amp; Gas – Services</td>
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<td>Coal Operations</td>
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<tr>
<td>Iron &amp; Steel Producers</td>
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<tr>
<td>Metals &amp; Mining</td>
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<tr>
<td>Construction Materials</td>
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</tbody>
</table>

**Amounts to 404 individual comments**

**Concentrated in Oil & Gas – Exploration & Production industry**
Items for Discussion
Extractives & Minerals Processing Sector

1. Responsiveness of SASB to stakeholder feedback

2. Accounting for sustainability risks in reserves

3. Sensitivity analysis
Sustainability Accounting Standards Board

Renewable Resources & Alternative Energy Public Comment Period

March 9, 2018

Stephanie Tang
Sector Committee Chair
Senior Corporate Counsel, The Clorox Company

Jeff Hales
Sector Committee Member
Professor, Georgia Institute of Technology

Kurt Kuehn
Sector Committee Member
Former CFO, UPS

Henrik Cotran
SASB Sector Analyst
renewables@sasb.org
Summary Themes:

1. Numerous technical improvements and clarifications
2. Concerns related to comparability and relevance of metrics

- 7 comment letters (7 entities)
- Majority of comments from issuers & industry associations
- 5 of 11 proposed changes were commented on
- ~3/10 of actionable comments on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
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<tr>
<td>Biofuels</td>
<td>4</td>
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<tr>
<td>Solar Energy Technology &amp; Project Developers</td>
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<tr>
<td>Wind Energy Technology &amp; Project Developers</td>
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<td>Fuel Cells &amp; Industrial Batteries</td>
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<tr>
<td>Forestry Management</td>
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<td>Pulp &amp; Paper Products</td>
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Amounts to 68 individual comments
Comments concentrated in the Solar Energy and Pulp & Paper industries
Items for Discussion
Renewable Resources & Alternative Energy Sector

1. Regulatory definitions for hazardous waste and air emissions

2. Confidential information disclosure related to certain metrics
Sustainability Accounting Standards Board

Consumer Goods Public Comment Period

March 9, 2018

Elizabeth Seeger  
Sector Committee Chair  
Director, KKR

Kurt Kuehn  
Sector Committee Member  
Former CFO, UPS

Stephanie Tang, JD  
Sector Committee Member  
Senior Corporate Counsel and Assistant Corporate Secretary, the Clorox Company

Lynn Xia  
Sector Analyst

Taylor Reed  
Research Analyst  
consumption2@sasb.org

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Public Comments Overview: Consumer Goods Sector

Applicability of Comments

SUMMARY THEMES

1. Low number of comments relative to input received in past market input periods
2. Some industry association concerns related to process and specific metrics
3. Numerous technical improvements and clarifications

- 9 comment letters (8 entities)
- Majority from **industry associations**
- 4 of 9 proposed changes were commented on

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<th>Industry</th>
<th># of Individual Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel, Accessories &amp; Footwear</td>
<td>10</td>
</tr>
<tr>
<td>Appliance Manufacturing</td>
<td>10</td>
</tr>
<tr>
<td>Household &amp; Personal Products</td>
<td>33</td>
</tr>
<tr>
<td>Building Products &amp; Furnishings</td>
<td>34</td>
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<tr>
<td>Toys &amp; Sporting Goods</td>
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<tr>
<td>Multiline and Specialty Retailers &amp; Distributors</td>
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<tr>
<td>E-Commerce</td>
<td>29</td>
</tr>
</tbody>
</table>

Amounts to 117 individual comments

6 of 8 industries received substantive comments
Items for Discussion
Consumer Goods Sector

1. Level of engagement in this sector and key takeaways

2. Disclosure of information that may be considered competitively sensitive

3. Supply chain management in the Apparel, Accessories, & Footwear industry
Sustainability Accounting Standards Board

Food & Beverage Public Comment Period

March 9, 2018

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Sector Committee Chair
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Public Comments Overview: Food & Beverage Sector

Applicability of Comments

SUMMARY THEMES

1. Public interest groups and some investors’ advocacy for more expansive standards
2. Numerous technical improvements and clarifications
3. Level of issuer control over performance along the supply chain

- 15 comment letters (15 entities*)
- Majority of comments from public interest groups and individuals
- 10 of 25 proposed changes were commented on
- ~20% of actionable comments on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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</thead>
<tbody>
<tr>
<td>Agricultural Products</td>
<td>32</td>
</tr>
<tr>
<td>Meat, Poultry &amp; Dairy</td>
<td>30</td>
</tr>
<tr>
<td>Processed Foods</td>
<td>24</td>
</tr>
<tr>
<td>Non-Alcoholic Beverages</td>
<td>9</td>
</tr>
<tr>
<td>Alcoholic Beverages</td>
<td>8</td>
</tr>
<tr>
<td>Tobacco</td>
<td>14</td>
</tr>
<tr>
<td>Food Retailers &amp; Distributors</td>
<td>40</td>
</tr>
<tr>
<td>Restaurants</td>
<td>28</td>
</tr>
</tbody>
</table>

Amounts to 185 individual comments

Same comments provided across several industries

*One public comment letter included 60 additional signatories, comprising socially responsible investors and public interest groups.
1. Addition of the same topics to multiple industries in the sector

2. GMOs

3. On-farm operations in Agricultural Products industry
Sustainability Accounting Standards Board

Health Care Public Comment Period

March 9, 2018

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Public Comments Overview: Health Care Sector

Applicability of Comments

SUMMARY THEMES

1. Low participation across the sector, and especially in the Managed Care and Health Care Delivery industries

2. Specific feedback which focused on issues related to access to medicines and anti-microbial resistance

- 8 comment letters (8 entities)
- Majority from intermediaries & public interest groups
- 4 of 23 proposed changes were commented on
- 1/5 of actionable comments on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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</thead>
<tbody>
<tr>
<td>Biotechnology &amp; Pharmaceuticals</td>
<td>19</td>
</tr>
<tr>
<td>Medical Equipment &amp; Supplies</td>
<td>5</td>
</tr>
<tr>
<td>Health Care Delivery</td>
<td>8</td>
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<tr>
<td>Health Care Distributors</td>
<td>3</td>
</tr>
<tr>
<td>Managed Care</td>
<td>-</td>
</tr>
<tr>
<td>Drug Retailers</td>
<td>-</td>
</tr>
</tbody>
</table>

Amounts to 35 individual comments

Concentrated in Biotechnology & Pharmaceutical industry
Items for Discussion
Health Care Sector

1. Response rate in Sector
2. Access to Medicines
3. Anti-microbial resistance
4. Climate change concern
Sustainability Accounting Standards Board

Services Public Comment Period

March 9, 2018

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Public Comments Overview: Services Sector

Applicability of Comments

SUMMARY THEMES

1. Low engagement by the sector, in line with past consultation and comment periods
2. Concerns related to comparability of metrics and competitive sensitivity of disclosure
3. Several technical improvements and clarifications

- 8 comment letters (8 entities)
- 1 of 13 proposed changes was commented on
- 21 of 22 actionable comments were not on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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<tbody>
<tr>
<td>Education</td>
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<tr>
<td>Professional &amp; Commercial Services</td>
<td>1</td>
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<tr>
<td>Hotels &amp; Lodging</td>
<td>9</td>
</tr>
<tr>
<td>Casinos &amp; Gaming</td>
<td>-</td>
</tr>
<tr>
<td>Leisure Facilities</td>
<td>1</td>
</tr>
<tr>
<td>Advertising &amp; Marketing</td>
<td>12</td>
</tr>
<tr>
<td>Media &amp; Entertainment</td>
<td>9</td>
</tr>
</tbody>
</table>

Amounts to 32 individual comments
Concentrated in hotels, advertising, and media industries
Items for Discussion

Services Sector

1. Response rate in Sector

2. Disclosure of confidential business information
Sustainability Accounting Standards Board

Infrastructure Sector

March 9, 2018

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Public Comments Overview: Infrastructure Sector

Applicability of Comments

SUMMARY THEMES

1. Addition of affordability in utilities was a focal point—support and concerns
2. Numerous technical improvements and clarifications
3. Public interest groups’ advocacy for more expansive standards

- 14 comment letters (15 entities)
- Majority from issuers & industry associations
- 9 of 15 proposed changes were commented on
- 1/3 of actionable comments on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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<tbody>
<tr>
<td>Electric Utilities &amp; Power Generators</td>
<td>68</td>
</tr>
<tr>
<td>Gas Utilities &amp; Distributors</td>
<td>19</td>
</tr>
<tr>
<td>Water Utilities &amp; Services</td>
<td>45</td>
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<tr>
<td>Waste Management</td>
<td>9</td>
</tr>
<tr>
<td>Engineering &amp; Construction Services</td>
<td>-</td>
</tr>
<tr>
<td>Home Builders</td>
<td>-</td>
</tr>
<tr>
<td>Real Estate</td>
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<tr>
<td>Real Estate Services</td>
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</table>

Amounts to 167 individual comments

Concentrated in utilities industries
Items for Discussion
Infrastructure Sector

1. Affordability of services
2. Water scarcity vs. Water supply risks
3. Real Estate industry response
Sustainability Accounting Standards Board

Technology & Communications Public Comment Period

March 9, 2018

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Public Comments Overview: Technology & Communications Sector

Applicability of Comments

SUMMARY THEMES

1. Varying input on materials sourcing issues
2. Ensuring actionable disclosure topics
3. Improvements to diversity-related metric

- 9 comment letters
- 13 of 18 proposed changes were commented on
- 1/4 of actionable comments on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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<tbody>
<tr>
<td>Electronic Manufacturing Services &amp; Original Design Manufacturing</td>
<td>11</td>
</tr>
<tr>
<td>Software &amp; IT Services</td>
<td>14</td>
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<tr>
<td>Hardware</td>
<td>5</td>
</tr>
<tr>
<td>Semiconductors</td>
<td>3</td>
</tr>
<tr>
<td>Telecommunication Services</td>
<td>18</td>
</tr>
<tr>
<td>Internet Media &amp; Services</td>
<td>15</td>
</tr>
</tbody>
</table>

Amounts to 66 individual comments

Relatively dispersed across the 6 industries
Items for Discussion
Technology & Communications Sector

1. Critical materials

2. Product lifecycle management

3. Human capital issues
Sustainability Accounting Standards Board

Financials Public Comment Period

March 9, 2018

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Public Comments Overview: Financials Sector

Applicability of Comments

SUMMARY THEMES

1. Significant feedback received on proposed changes to the standards due to significant number of revisions

2. Constructive technical feedback from stakeholders regarding the detail of metric or technical protocol construction

3. Some specific concerns noted by issuers related to the suitability or representativeness of specific metrics

- 15 comment letters
- Balanced views from issuers, investors, and other stakeholders
- 42 of 56 proposed changes were commented on
- ~60% of actionable comments on proposed changes

Amounts to 168 individual comments

Concentrated in the Insurance and Commercial Banks industries

<table>
<thead>
<tr>
<th>Industry</th>
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<tbody>
<tr>
<td>Commercial Banks</td>
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<td>Investment Banking &amp; Brokerage</td>
<td>25</td>
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<tr>
<td>Asset Management &amp; Custody Activities</td>
<td>26</td>
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<tr>
<td>Consumer Finance</td>
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<tr>
<td>Mortgage Finance</td>
<td>7</td>
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<tr>
<td>Security &amp; Commodity Exchanges</td>
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<tr>
<td>Insurance</td>
<td>52</td>
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</table>
Items for Discussion
Financials Sector

1. Systemic Risk (Insurance industry)

2. Climate Change Impacts (Insurance industry)

3. Metric Selection Criteria (Consumer Finance)

4. Other Items
Sustainability Accounting Standards Board

Transportation Public Comment Period

March 9, 2018

Kurt Kuehn
Sector Committee Chair
Former CFO, UPS

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Founder and Former CEO, SASB

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Public Comments Overview: Transportation Sector

Applicability of Comments

SUMMARY THEMES

1. Mixed views on proposed Customer Welfare topic and proposed fleet fuel efficiency metric for Airlines
2. Some concerns related to comparability and representativeness of metrics
3. Multiple technical improvements and clarifications

- 11 comment letters
- All 9 proposed changes were commented on
- Approximately half of actionable comments were on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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<tbody>
<tr>
<td>Automobiles</td>
<td>9</td>
</tr>
<tr>
<td>Auto Parts</td>
<td>15</td>
</tr>
<tr>
<td>Car Rentals &amp; Leasing</td>
<td>1</td>
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<tr>
<td>Airlines</td>
<td>22</td>
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<tr>
<td>Air Freight &amp; Logistics</td>
<td>11</td>
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<tr>
<td>Marine Transportation</td>
<td>1</td>
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<tr>
<td>Cruise Lines</td>
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</tr>
<tr>
<td>Rail Transportation</td>
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<tr>
<td>Road Transportation</td>
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</tr>
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</table>

Amounts to 70 individual comments

Concentrated in airlines and auto parts industries
Items for Discussion
Transportation Sector

1. Customer welfare topic

2. Airline fleet fuel efficiency

3. Tire segment within Auto Part industry
Sustainability Accounting Standards Board

Resource Transformation Public Comment Period

March 9, 2018

Lloyd Kurtz  
Sector Committee Chair  
Senior Portfolio Manager,  
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Chair of the SASB

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Public Comments Overview: Resource Transformation Sector

Applicability of Comments

SUMMARY THEMES

1. Numerous technical improvements and clarifications
2. Concerns related to comparability and relevance of metrics, though general support for proposed changes
3. Request for greater alignment with industry standards

- 17 comment letters (13 entities)
- Majority from issuers & industry associations
- 19 of 23 proposed changes were commented on
- ~1/3 of actionable comments on proposed changes

<table>
<thead>
<tr>
<th>Industry</th>
<th># of Individual Comments</th>
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<tbody>
<tr>
<td>Chemicals</td>
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<tr>
<td>Aerospace &amp; Defense</td>
<td>11</td>
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<tr>
<td>Electrical &amp; Electronic Equipment</td>
<td>15</td>
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<tr>
<td>Industrial Machinery &amp; Goods</td>
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</tr>
<tr>
<td>Containers &amp; Packaging</td>
<td>30</td>
</tr>
</tbody>
</table>

Amounts to 124 individual comments

Concentrated in the Chemicals and Containers & Packaging industries
Items for Discussion
Resource Transformation Sector

1. Hazardous substance metrics

2. Alignment of water metrics with GRI and CDP
Accounting for a Sustainable Future