### Enabling Continuous Improvement

**KEY ACTIONS**

- **Track the internal and external drivers of ESG risks and opportunities**

  **Key considerations include:**

  **Internal factors:** The likelihood that a SASB topic will have financially material impacts may change along with aspects of the company's strategy, its business model, and its operations. Such changes may include:
  - Changes in the company’s product mix or service offerings;
  - Adjustments to the scale or scope of the company’s operations (including geographic footprint).

  **External factors:** Financially material impacts related to a SASB topic also may become more or less likely due to factors outside the company. These may include:
  - Macroeconomic factors (e.g., population growth, commodity prices, climate change);
  - Business climate (e.g., competition, technological innovation);
  - Regulatory developments and political climate (often regional in nature); or
  - Societal trends (e.g., shifting consumer preferences).

- **Monitor peer and best-practice disclosure for benchmarking**

  Regular monitoring of peer disclosure, such as annual reports to shareholders, sustainability reports, and investor presentations, can help a company better understand evolving expectations—among investors and other stakeholders—of:

  - Which topics should be disclosed; and
  - How they can be reported to ensure companies across an industry provide comparable information.

- **Seek regular feedback from investors and other key stakeholders, for example:**

  - Shareholder engagement: A company can solicit feedback from shareholders and track issues raised during engagements with shareholders to monitor evolving issues of interest to investors.
  - Disclosure requirements and recommendations: A company should also monitor the evolving disclosure landscape, including:
    - Mandatory disclosure requirements related to sustainability disclosure; and
    - Sustainability disclosures that may be required or suggested by the exchange on which the company’s securities are listed.

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**Of the world’s top 10 stock exchanges, representing more than US$60 trillion in market cap:**

- 4 require ESG disclosure
- 8 provide ESG disclosure guidance
- 5 recommend SASB standards as a helpful resource

*Source: SASB analysis, January 2020*
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- Keep up with emerging and evolving disclosure requirements and recommendations - SASB utilizes a project-based model to enable focused standard-setting to address key issues and ensure the standards remain relevant and responsive to evolving market needs. Thus, SASB may periodically issue updates to the topics, metrics, and/or underlying technical protocols included in an industry’s SASB standard.

- Periodically review SASB standards for relevant updates

- Monitor company performance on SASB disclosure topics