Do you believe the concepts described in the Conceptual Framework exposure draft are appropriate for a global standard-setting organization? Are there concepts or principles that warrant discussion in—or removal from—the Conceptual Framework to help the Standards Board more effectively develop standards that have global applicability?

The Board should consider moving ‘actionable’ from topic characteristics to metrics characteristics (making it the third key characteristics) to be better suited.

The inclusion of ‘transparent’ as one of the fundamental tenets of SASB’s approach raises some thoughts around whether accountability, integrity, and fairness should be included as tenets or not. By default, the perception of SASB’s efforts and outreach should be transparent, accountable, fair, and so on, hence having transparent as a tenet perhaps signifies the organization’s search for validation of some form. The Board should consider excluding transparent as a tenet or include integrity and accountable as tenets.

Should SASB describe its approach to governance in the Conceptual Framework? Is SASB’s approach to governance, as described above, sufficiently clear?

SASB’s approach to governance is highly skewed towards governance of risk and risk related topics with the understanding that traditional corporate governance topics and metrics are excluded.

It is noted that the approach covers internal control with language around identifying, assessing, and managing topic-related risks. The approach also covers compliance with language around how risks are integrated into the entity’s overall risk management process. However, if this is not the case, then the approach is not sufficiently clear.

Alternatively, the Board should adopt key words such as ‘internal control’ and ‘compliance’ to embody its approach in a clearer manner. This can then be described in the Conceptual Framework albeit summarized to capture key elements of its approach to governance.

Are all aspects of the proposed definition of financial materiality clear and understandable? Does the definition accurately reflect SASB’s mission to facilitate communication between companies and investors about financially material, decision-useful sustainability information?

For completion, the definition should include magnitude of effect. In which case, the Board should consider revising the definition as follows:

"information is financially material if omitting, misstating, or obscuring it could reasonably be expected to influence investment or lending decisions, however small, that users make on the basis of their assessments of short-, medium-, and long-term financial performance and enterprise value."