December 23, 2020

Janine Guillot, CEO
SASB
1045 Sansome Street, Suite 450
San Francisco, CA 94111

Re: Invitation to comment on Proposed changes to SASB Conceptual Framework & Rules of Procedure

Dear Ms. Guillot:

We are pleased to respond to SASB’s request for comments on the Conceptual Framework & Rules of Procedure in light of the significant developments that have occurred since the consultation was published. This includes, notably, the consultation by the IFRS Foundation on whether to establish a global sustainability standards board, and the Joint Statement of Intent to Work Together Towards Comprehensive Corporate Reporting (September 11, 2020), which was issued collectively by SASB, the Climate Disclosure Project, the Climate Disclosure Standards Board, the Global Reporting Initiative, and the International Integrated Reporting Council. These collaborative efforts share a common goal – a commitment to developing a comprehensive corporate sustainability reporting system.

Verizon applauds SASB’s recent initiatives to facilitate the move towards global sustainability standard setting and looks forward to SASB’s continued leadership role in these efforts. We wholeheartedly agree that there is an urgent need to harmonize and streamline sustainability reporting. We support in principle the creation of a sustainability standards board aligned with the International Accounting Standards Board (IASB). We believe this would be an effective first step towards creating a coherent system of sustainability reporting with reduced complexity, ultimately leading to better corporate disclosure and improved market transparency.

We also agree with SASB that how the IFRS Foundation proposal is implemented is key. With that in mind, Verizon believes the concepts described in SASB Conceptual Framework would be appropriate for a global sustainability standard-setting organization. At this important juncture, we encourage SASB to work with the IFRS Foundation on the “how,” and to evaluate its potential significant and ongoing role in a global sustainability standards board with the following principles in mind:

- In order to be immediately impactful, the approach to developing global sustainability standards should be conducted in stages and should initially be investor-focused. A global sustainability standards board should prioritize the sustainability information most “decision-useful” to investors and other market participants in order to enable a better understanding of the impact of ESG on value
creation. Reporting concerning the wider impacts that a company has on society and additional reporting desired by broader stakeholder-focused organizations could be addressed at a later stage.

- SASB’s definition of “decision-useful” information and the IASB/FASB definitions should align.
- The focus of a global sustainability standards board should be on leveraging, harmonizing and streamlining existing frameworks, recommendations and metrics that investors have already deemed “decision-useful” (i.e., SASB, recommendations of the Task Force on Climate-Related Financial Disclosures, CDP) rather than creating new ones.
- To be “decision-useful” to investors and other market participants, at least part of any sustainability reporting standards should be industry-specific.
- Climate-related metrics are a reasonable place to focus initially given investor demand for this data and the tenure in environmental data reporting.
- Human capital management is another key ESG topic where the development of sustainability standards should be prioritized.

Again, we thank SASB for its leadership role in making significant progress towards a global reporting solution for investors, companies and society.

Very truly yours,

Beth Sasfai