March 24th, 2021

Mr. Madhu Mathew  
Director of Technology  
Sustainability Accounting Standards Board  

Re: Comments on SASB’s draft XBRL taxonomy

Dear Mr. Mathew,

As long-time researchers and data users, we would first like to congratulate SASB on the decision to adopt XBRL. XBRL offers an excellent way to structure the data in companies’ non-financial disclosures following SASB Standards. Using XBRL to tag SASB data is particularly important since it enhances the currently available financial accounting data in XBRL format. We agree that XBRL adoption has great potential to improve the information environment and enhance the access and use of SASB-based data, but we urge the SASB to carefully consider the impact of the proposed taxonomy on data users.

A significant hindrance to the wider use of XBRL-based data from other adoptions has been the ease of consumption by interested stakeholders. In our opinion, the ease of consumption of XBRL-based data can be significantly enhanced by having a central repository of the data, where users can access, easily and freely, large quantities of data. Given the growing demand for ESG-related data by investors and other stakeholders, we believe data access should be a primary element of SASB’s XBRL adoption. Data access is especially important since reporting SASB-based data, at least initially, is voluntary and there may be no “natural” regulator or entity to collect and offer data to users. We argue that the SASB should create such a repository of data by potentially asking entities who report non-financial information following SASB Standards to share their XBRL-SASB reports with the SASB. A repository would make it much easier for users to obtain the data (as opposed to contacting each company separately) and would increase its usefulness. This, in turn, would increase the demand for the data by users, and, therefore, the pressure on more companies to adopt SASB’s standards and its XBRL taxonomy, thus further increasing demand for SASB based data.
SASB-based data complements traditional financial accounting data. As such, it would be important to use US GAAP or IFRS taxonomy elements when applicable to make it easier for users to incorporate both data sets during analysis. Further, we think that the use of anchoring for extended elements will also ease consumption of the data by providing a good way to understand the meaning and potential significance of the data tagged using extensions.

We would be happy to discuss these comments in more detail with you or the Board.

Sincerely,

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