PRESS RELEASE

The Value Reporting Foundation Publishes Updated SASB Standard for the Apparel, Accessories & Footwear Industry Ahead of Transition to the ISSB

London and San Francisco, May 12, 2022—The Value Reporting Foundation today published updates to the Apparel, Accessories & Footwear Standard following a rigorous due process involving industry consultation, public comment period and approval by the SASB Standards Board. The purpose of the update is to revise and clarify two metrics and technical protocols related to the Raw Materials Sourcing disclosure topic.

To support the IFRS Foundation’s establishment of the International Sustainability Standards Board (ISSB), the Value Reporting Foundation is consolidating into the IFRS Foundation as of June 30, 2022. At that time, the SASB Standards Board will transition all open standard-setting projects to the International Sustainability Standards Board (ISSB). The ISSB will build on the SASB Standards, including embedding SASB’s industry-based approach in its standards development process, continuing progress on open standard-setting projects and encouraging companies to use SASB Standards until the IFRS Sustainability Disclosure Standards are available for use.

The SASB Standards Board approved the Raw Materials Sourcing in Apparel project in February 2020, after market input indicated that (1) the definition of priority raw materials used in the SASB Standard was not aligned with a widely-used industry definition, (2) the lack of calculation guidance for measuring materials led to incomparable and non-verifiable disclosures and (3) some of the third-party standards referenced are not compatible with the Standard’s guidance on how to calculate the percentage of certified raw materials.

The updated Standard addresses this input in four ways. First, the metrics now use the Textile Exchange’s definition of priority raw materials, which accounts for materials used in small quantities that may represent critical sourcing risks or opportunities. Second, the quantitative metric has been updated from percentage of materials to absolute amount of materials. Third, the list of third-party certifications/standards has been updated to include those that are actively used by companies and focus on raw materials. Finally, the updates include minor changes to the disclosure topic summary which aim to clarify the focus on how companies manage external environmental and social factors and their impacts on raw materials sourcing (as opposed to the environmental and social impacts that occur as a result of supply chain operations).

“As we prepare to transition the work of the SASB Standards Board to the ISSB this summer, we’re pleased to publish this improvement to the Apparel Standard, which is the result of significant outreach and our rigorous due process,” says Dr. Jeffrey Hales, Chair of the SASB Standards Board. “We thank the many stakeholders who have participated in the SASB Standards development process, not only on this project, but throughout all our work over the last 10 years. We encourage everyone who has contributed to the success of the SASB Standards to stay engaged, and a great place to start is by commenting on the ISSB exposure drafts, which reference and build upon the SASB Standards.”
The updated Apparel, Accessories & Footwear Standard can be downloaded here. The SASB Standards Board has also released a Basis for Conclusions document detailing its rationale for the updated Standard, which can be accessed here. All reporting companies shall apply the updated versions of the Standards for reports covering annual periods beginning on or after July 1, 2022.

The last Standards Board meeting, which is open to the public, is on June 15—register here.

About the Value Reporting Foundation

The Value Reporting Foundation is a global nonprofit organization that offers a comprehensive suite of resources designed to help businesses and investors develop a shared understanding of enterprise value — how it is created, preserved or eroded over time. The resources — including Integrated Thinking Principles, the Integrated Reporting Framework, and SASB Standards — are already adopted in over 70 countries. They comprise the 21st century market infrastructure needed to develop, manage and communicate strategy that creates long-term value and drives improved performance. To learn more, visit www.valuereportingfoundation.org.

Media Contact
Brian Sherry
Stern Strategy Group
908-325-3860
bsherry@sternstrategy.com