What is SICS®?

The SASB SICS® taxonomy categorizes companies into sectors and industries in accordance with a fundamental view of their business model, their resource intensity and sustainability impacts, as well as their sustainability innovation potential. Intangible assets, such as intellectual capital, customer relationships, brand value and other forms of capital are growing components of corporate valuations. It is becoming clear that a company’s market value is determined by more than financial performance. That is why the SASB Standards for 77 industries identify the subset of environmental, social, and governance issues most relevant to a company’s financial prospects in the industry.

Why SICS®?

By adapting traditional industry classification systems to reflect the unique sustainability profiles of sectors and industries, the SASB SICS® taxonomy provides the building blocks for a potentially more precise portfolio construction, when paired with traditional taxonomies, that considers the impact of sustainability on the risk/return and correlation of industries and sectors. Traditional classification systems often make categorizations that are either too granular or not granular enough to understand a company’s shared sustainability challenges and opportunities.

SICS® as a complement to GICS®

The Global Industry Classification Standard (GICS®) uses financial concepts, such as sources of revenue, to assign companies to a given industry or sector. SICS® helps the user surface the ESG disclosure topics that are likely to affect all or most companies in an industry or sector. Classifications systems seek to maximize intra-industry correlation and minimize inter-industry correlation. Overlaying SICS® and GICS® minimizes inter-industry correlation as per this study, suggesting that sustainability-based classifications can be a beneficial complement to traditional fundamental analysis.
Standards Data Hierarchy

11 Sectors
77 Industries
5 Sustainability Dimensions
26 General Issue Categories
444 Disclosure Topics
981 Accounting Metrics

Material issues across industries with their specific representation in each industry outlined as a Disclosure Topic

5-6 Disclosure Topics per each of the 77 Industries

» 1-3 accounting metrics per Disclosure Topic
» 2,520 sub-metrics
» 74% of sub-metrics are quantitative

Accessing the Sustainable Industry Classification System® (SICS®)

License SASB Standards IP to access 90,000+ Global ISINs and their associated Company Name, Country, SICS® Industry, SICS® Sub-Sector, and SICS® Sector in Excel format. The SICS® master file covers major indices and much more. This file is updated on a quarterly basis to reflect market activity, such as IPOs, M&A, delistings, and other corporate actions.

Organizations can further engage with SASB Standards in two ways:

Licensing Program: Provides licensing rights to the Standards, SICS®, Disclosure Topic Financial Drivers, and Climate Risk Factors tied to TCFD Recommendations, along with marketing materials, technical support, and a robust toolkit for organizations interested in leveraging SASB IP in their processes.

IFRS Sustainability Alliance: IFRS Sustainability Alliance is a membership program and helps explore best practices to integrate material sustainability information into existing processes. Members receive ongoing educational resources and invitations to exclusive member-only discussions. Members share the belief that today’s capital markets need standardized sustainability disclosure and effective ESG integration into investment practices — for the benefit of both companies and investors.

Find answers to common questions on the SASB Standards website. For more information, please reach out to sustainability.licensing@ifrs.org.