PART I: THE NEED FOR SUSTAINABILITY ACCOUNTING STANDARDS

1. Demand for Sustainability Information
   1.1. Growing Investor Demand
   1.2. Demand Within Companies
   1.3. Other Institutions Driving Demand

2. The Historical Basis for Disclosure
   2.1. The Aftermath of the Stock Market Crash of 1929
   2.2. Disclosure as the Basis of Regulatory Reform
   2.3. Materiality: A Guiding Principle for Disclosure
   2.4. The Road to Standardized Accounting Procedures

3. The Shortcomings of Financial Disclosure
   3.1. Financial Information Beyond the Financial Statements: The Use of Non-GAAP
   3.2. The Changing Nature of Market Value
   3.3. Measuring and Reporting Non-financial Information
   3.4. A New Tool for Investors
   3.5. Sustainability Reporting’s Unique Challenges

4. Sustainability Disclosure Guidance Among Global Jurisdictions
   4.1. The Growing Prevalence of Disclosure Guidance
   4.2. Types of Guidance Shaping Global Disclosure Rules
   4.3. The Influence of Corporate Governance Codes
   4.4. Balancing Flexibility with Usability

5. The Sustainability Disclosure Ecosystem
   5.1. Growth of the Ecosystem: A Maturing Industry
   5.2. What Shapes ESG Data Quality?
   5.3. A Closer Look: Sustainability Disclosure Frameworks and Standards
   5.4. A Coherent System for Comprehensive Reporting

6. Materiality Throughout Global Jurisdictions
   6.1. Little Word, Big Implication
   6.2. Traditional Materiality in the Context of Current Disclosure Requirements
   6.3. Materiality in the Context of Sustainability Information
   6.4. Companies Make the Decision
   6.5. Financial Materiality of Information vs. Financial Materiality of Topics

PART II: UNDERSTANDING SASB STANDARDS

7. Introduction to SASB Standards
   7.1. The Importance of Standards
   7.2. Primary Objectives of SASB Standards
   7.3. Additional Objectives of SASB Standards

8. Setting SASB Standards: Identifying Disclosure Topics and Metrics
   8.1. SASB’s Approach to Standard-Setting
   8.2. Evidence-Based Research
   8.3. Choosing Disclosure Topics and Metrics
   8.4. Market Feedback and Participation
   8.5. Sustainability Industry Classification System (SICS) and Its Implication
   8.6. Evolving with the Marketplace

9. How Companies Disclose Using SASB Standard
   9.1. Introduction to Sample Disclosures
   9.2. Why Do Companies Report Using SASB Standards?
   9.3. Where Do Companies Disclose Using SASB Standards
   9.4. What Sustainability Information Are Companies Reporting?
   9.5. How Is Sustainability Information Being Disclosed?

PART III: USING SASB STANDARDS

10. Corporate Use
    10.1. Investor Demand for ESG
    10.2. Considerations for Corporate Use
    10.3. Preparing for Disclosure
    10.4. Preparing Quality Data
    10.5. Reporting Financially Material Sustainability Data
    10.6. Managing Sustainability Performance

11. Investor Use
    11.1. Overview of Sustainability in Investing
    11.2. A Spectrum of the Use of Sustainability Information
    11.3. Investor Application of Industry-Agnostic vs. Industry-Specific Sustainability Data
    11.4. The Pre-Investment Stage
    11.5. Index Construction and Sector Allocation
    11.6. Post-Investment Engagement
    11.7. Investor Reporting
    11.8. Creating an Effective Framework
    11.9. Data Is the Backbone

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LEVEL I LEARNING OBJECTIVES

☐ 1 IDENTIFY the factors influencing investor use of sustainability information

☐ 2 RECOGNIZE why the historical evolution of financial and non-financial disclosure practices is relevant for today’s global capital markets

☐ 3 IDENTIFY how and why sustainability accounting and disclosure has evolved to supplement financial accounting and disclosure

☐ 4 DISTINGUISH how “materiality” is defined and used globally in the context of disclosure

☐ 5 DIFFERENTIATE between sustainability-related disclosure guidance based on key characteristics

☐ 6 COMPARE organizations in the sustainability accounting and disclosure ecosystem

☐ 7 RECALL the objectives of SASB Standards, the tenets of SASB’s approach, and the characteristics of SASB disclosure topics and accounting metrics

☐ 8 RECALL the structure of SASB Standards

☐ 9 DESCRIBE SASB’s current standard-setting process

☐ 10 DISCERN the implications of SASB’s Sustainability Industry Classification System® (SICS®)

☐ 11 DIFFERENTIATE how companies disclose information aligned with SASB Standards, including special disclosure situations

☐ 12 IDENTIFY how investor demand for sustainability information shapes corporate disclosure and performance management practices

☐ 13 RECOGNIZE the cross-functional nature of preparing sustainability disclosures

☐ 14 DISTINGUISH the stages of sustainability disclosure

☐ 15 IDENTIFY the influence of board governance, internal controls, and third-party assurance on the reliability of sustainability information

☐ 16 RECOGNIZE the role of sustainability management in corporate strategy and risk management

☐ 17 IDENTIFY how sustainability information is used in public equities (active and passive)

☐ 18 IDENTIFY how sustainability information is used in corporate fixed income

☐ 19 IDENTIFY how sustainability information is used in private markets

☐ 20 IDENTIFY the challenges investors face in using sustainability information and how those challenges impact the market
LEVEL II CURRICULUM OUTLINE

PART I: IDENTIFYING THE SUSTAINABILITY ISSUES RELEVANT TO FINANCIAL PERFORMANCE
1. How a Company’s Circumstances Influence Material Sustainability Issues
   1.1. Considerations That Shape Each Industry’s Sustainability Profile
   1.2. Evaluating How a Company’s Circumstances Influence Material Sustainability Factors
   1.3. The Influence of Governance and Management Practices
2. Understanding Sustainability Issues
   2.1. The Universe of Sustainability Issues
   2.2. Identifying Interrelated Impacts
3. Evaluating Sustainability Issues
   3.1. Applying the Five Factors
   3.2. Contextualizing Sustainability Topics
   3.3. Making Use of the Findings

PART II: EVALUATING THE COMPARABILITY OF SUSTAINABILITY INFORMATION
4. Normalizing Data for More Effective Comparisons
   4.1. When to Normalize ESG Data
   4.2. Selecting Appropriate Measures for Use in Normalization
   4.3. Normalizing for Comparative Analysis
5. Analyzing the Spread of Industry Performance
   5.1. Getting to Know Your ESG Data
   5.2. Analyzing Data Distribution
   5.3. Outliers and Non-Normal Distributions
   5.4. Considering Data Quality
6. Considering Company-Specific Context
   6.1. Considering a Company’s Operating Environment
   6.2. Management and Governance Decisions

PART III: THE CONNECTION BETWEEN SUSTAINABILITY PERFORMANCE AND VALUATION
7. Characterizing Financial Impact
   7.1. Identifying Risks and Opportunities
   7.2. Assessing the Likelihood, Timing, and Magnitude of Impacts
   7.3. Process for Identifying Metric Types and Categories
8. Using Sustainability Data in Financial Valuation
   8.1. Overview of Discounted Cash Flow
   8.2. Identifying Channels of Financial Impact
9. Integrating ESG Beyond DCF
   9.1. Evaluating Returns and Profitability
   9.2. Scenario Analysis

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LEVEL II LEARNING OBJECTIVES

1. EVALUATE a company’s internal operating factors to determine useful changes to the sustainability topics identified in the company’s industry standard (e.g., chemicals companies that produce genetically modified organisms vs. those that do not).

2. EVALUATE a company’s external operating context to determine useful changes to the sustainability topics identified in the company’s industry standard (e.g., mining companies with mines in countries with weak rule of law vs. mining companies in countries with robust rule of law).

3. DIFFERENTIATE general sustainability issues, their typical impacts on enterprise value, and how they can produce interrelated impacts alongside other sustainability issues.

4. EVALUATE how a sustainability issue can impact a company using the five factors.

5. DIFFERENTIATE options for normalizing sustainability information to improve insight into a company’s performance relative to that of its industry peers and over time.

6. ASSESS whether information about the dispersion of an industry’s sustainability performance influences interpretations of a company’s performance.

7. COMPARE industry peers’ sustainability performance in light of their external operating context (e.g., business climate, economic climate, regulatory climate, operating location[s]) and in the context of their management and governance decisions (e.g., strategic decisions and risk management).

8. ASSOCIATE sustainability accounting metrics with the type of financial impact they are designed to illuminate (e.g., risks and opportunities; acute or progressive impacts with varying likelihood, timing, and magnitude).

9. EVALUATE the connection between a company’s performance on a SASB metric and its associated channel(s) of financial impact (e.g., revenues/expenses, assets/liabilities, and/or cost of capital).

10. TRANSLATE a company’s performance on a SASB metric(s) to valuation model adjustments.