

The Sustainability Accounting Standards Board

Non-profit standards-setting organization for financially material ESG information



**SASB connects businesses
and investors on the financial
impacts of sustainability**



**77 industry-specific
disclosure standards**

**Used by companies
and investors globally**



SASB's Approach to Financial Materiality

Standards tailored to the investor need for financially material information



SASB's Process

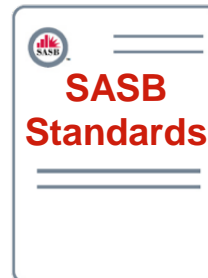
Identifies ESG factors reasonably likely to have a significant effect on the *financial condition, operating performance, or market valuation* of companies within an industry

Inclusion in SASB standards requires evidence of both:

**Investor Interest in an
issue**

AND

**Material financial impact
on companies in an
industry**



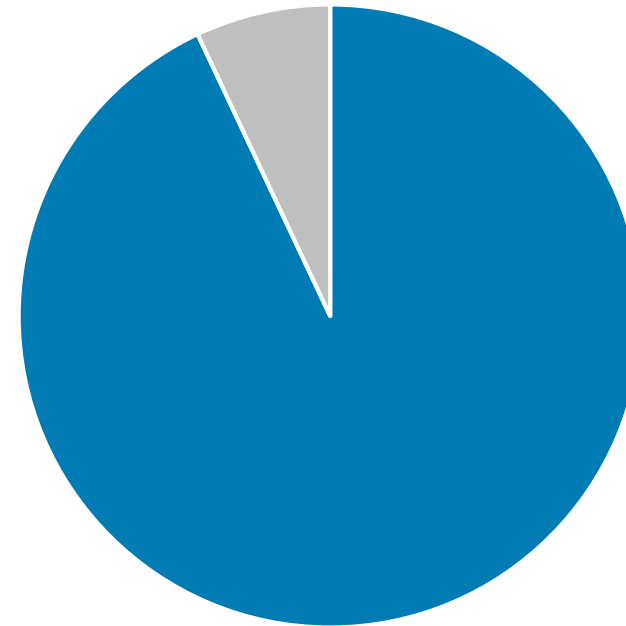
SASB Research: Climate Risk Affects 90% of Industries

However, climate risk manifests differently from industry to industry

MANIFESTATIONS OF CLIMATE CHANGE RISKS BY INDUSTRY

Impacts 69 of 77 SICs industries

- Emissions from refining in Oil & Gas – Refining & Marketing
- Carbon intensity of reserves in Oil & Gas – Exploration & Production
- Impact on crop yields in Agricultural Products
- Vulnerability of real estate in Insurance
- Financed emissions in Commercial Banks
- Event readiness in Health Care Delivery



Source: SASB Research, January 2019

TCFD Points to SASB

Industry-specific disclosures are the core of the TCFD's recommendations



SASB metrics are among the most frequently referenced tools cited by TCFD for implementing its recommendations.



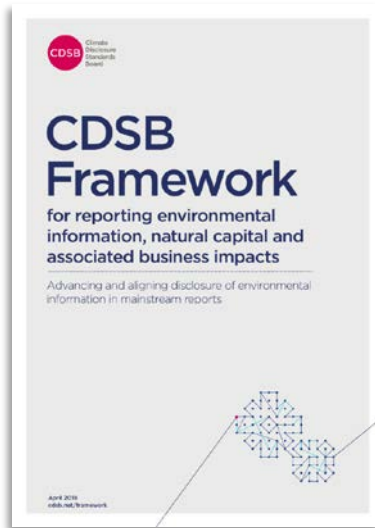
TCFD Framework



Metrics and targets are at the core of the TCFD recommendations. They are **critical to more effective disclosure of governance, strategy, and risk management** – the outer layers of the TCFD “onion.”

Example of Frameworks and Standards in Use

SASB & CDSB as Twin Tools to Aid in TCFD Implementation



Industry-specific disclosure topic

Accounting metrics

Technical protocol for compiling data

Activity metrics for normalization

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage methane, percentage emissions-limiting regulations	Quantitative	Metric tons CO ₂ e, Percentage (%)	EN-EP-110a.1
Air Quality	Air quality metrics, including particulate matter, nitrogen dioxide, sulfur dioxide, and other pollutants	Quantitative	Micrograms per cubic meter (µg/m³)	EN-EP-110b.1
Water Management	Water consumption, water discharge, and other water-related metrics	Quantitative	Cubic meters (m³)	EN-EP-110c.1

EM-EP-110a.1. Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations

1. The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of all seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

1.1. Emissions of all GHGs shall be consolidated and disclosed in metric tons of carbon dioxide equivalent (CO₂e), and calculated in accordance with published 100-year time horizon global warming potential (GWP) values. To date, the preferred source for GWP values is the Intergovernmental Panel on Climate Change (IPCC) AR4.

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Quantitative	Thousand barrels per day (Mbd/day), Million standard cubic feet per day (MMscf/day)	EN-EP-110d.1
Number of offshore sites	Quantitative	Number	EN-EP-110e.1
Number of terrestrial sites	Quantitative	Number	EN-EP-110f.1

