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**KNOWLEDGE TOOLKIT FOR
SUSTAINABILITY PROFESSIONALS**

Vol 5

Top #10 resources on SASB

SK sustainability
knowledge
group

Dear Readers,

Increasingly, investors and other financial capital providers are turning to environmental, social, and governance (ESG) factors to evaluate business impact and corporate financial performance, prompting the need for standardized reporting on ESG data.

The Sustainability Accounting Standards Board (SASB) develops and publishes industry-specific disclosure standards across ESG topics that facilitate communication between businesses and investors about financially material information useful for a decision. This is accomplished through a rigorous process that includes evidence-based research and broad and balanced stakeholder participation.

If you are a company on a journey to incorporate SASB standards into its reporting process and core communications with investors, then you are in the right place.

At Sustainability Knowledge Group, we have developed this valuable collection of available publications on SASB, to help you understand and apply the SASB standards.

We invite you to look at this set of resources, and we trust you will find the publications practical and useful and will assist you with SASB-compliant reporting.
Enjoy your reading.

Sustainability Knowledge Group

SASB INDUSTRY STANDARDS

Publication Title: SASB INDUSTRY STANDARDS

Issued by: Sustainability Accounting Standards Board

Publication Date: October 2018

Description: The publication of the SASB industry standards marks an important milestone for global capital markets. The 77 industry-specific standards are the first of their kind designed to assist companies in disclosing financially material, decision-useful sustainability information to investors.

Keywords: SASB, standards, industry standards, capital markets, financial materials

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SERVICES SECTOR

BASIS FOR CONCLUSIONS

Advertising & Marketing

Sustainable Industry Classification System® (SICS®) SV-AM

Prepared by the
Sustainability Accounting Standards Board

October 2018

sasb.org

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CONVERGING ON CLIMATE RISK: CDSB, THE SASB, AND THE TCFD

Publication Title: Converging on Climate Risk: CDSB, the SASB, and the TCFD

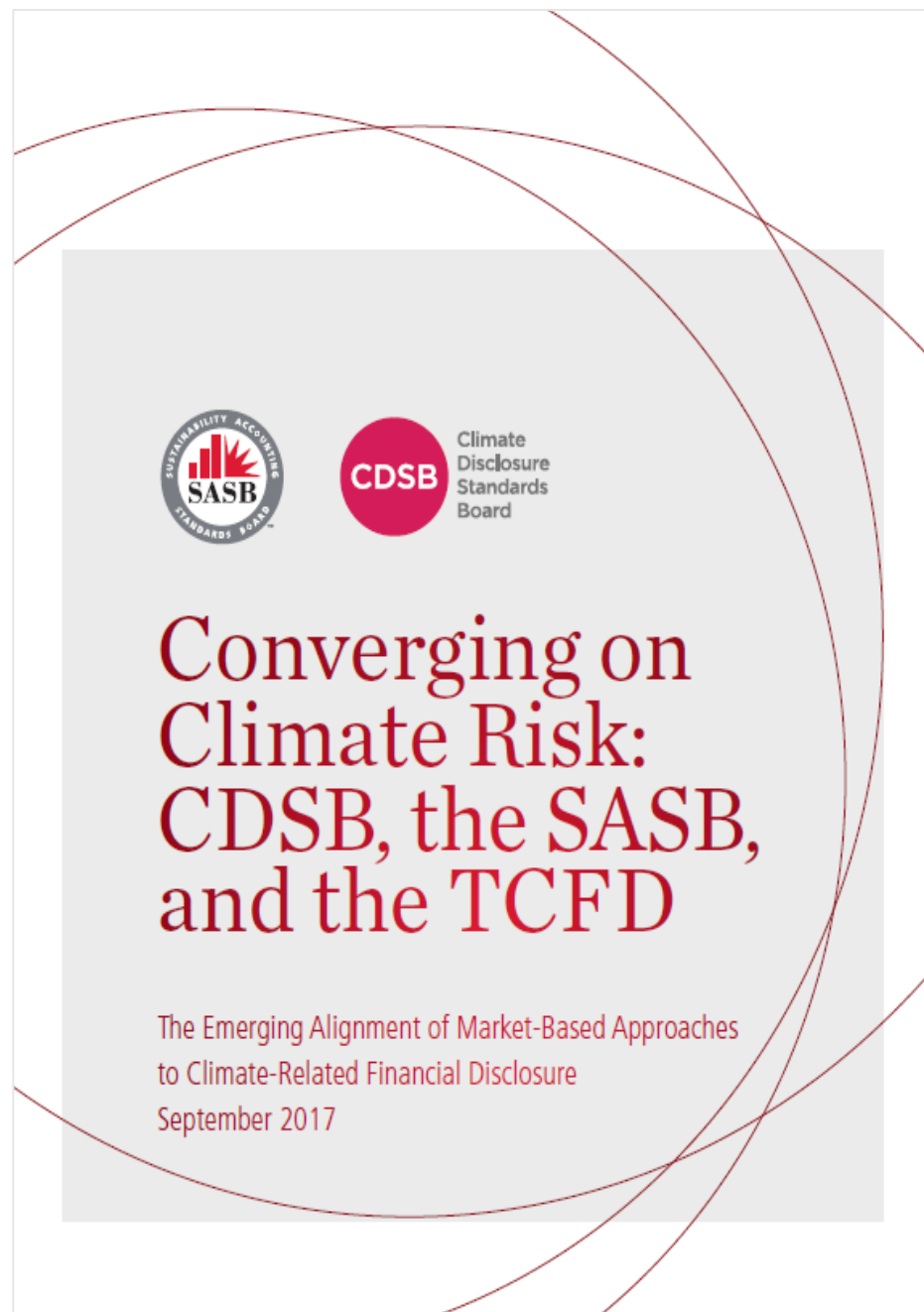
Issued by: Sustainability Accounting Standards Board

Publication Date: September 2017

Description: Converging on Climate Risk demonstrates the alignment of SASB's and CDSB's approaches to climate-related disclosure with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Converging on Climate Risk details how SASB and CDSB are uniquely positioned to jointly deliver a TCFD-ready framework to facilitate consistent, high-quality implementation.

Keywords: SASB, CDSB, TCFD, climate risk

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WANT TO GET SERIOUS ABOUT SUSTAINABILITY? USE SASB'S STANDARDS TO INFORM ERM

Publication Title: Want to Get Serious About Sustainability? Use SASB's Standards To Inform ERM

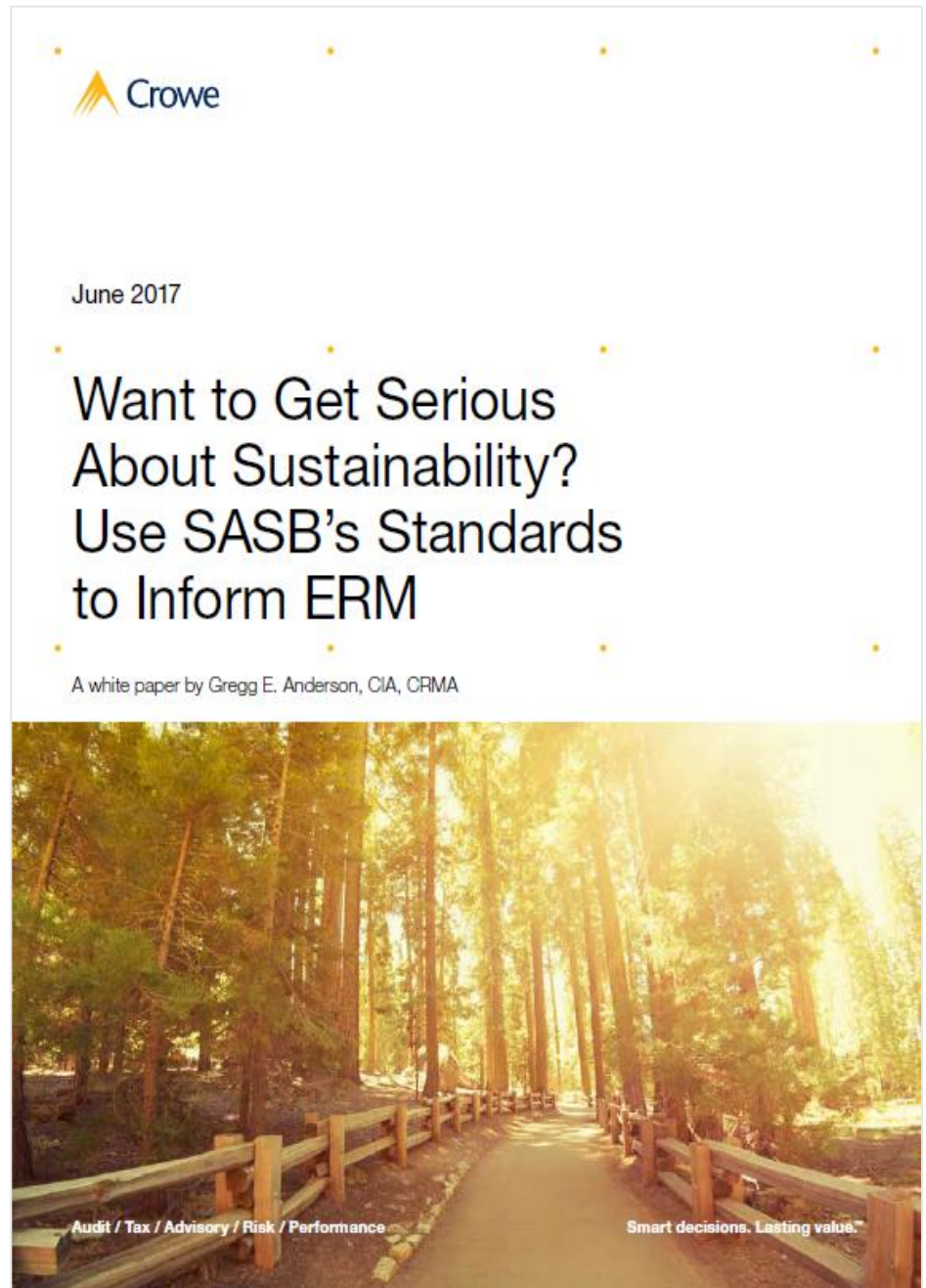
Issued by: Crowe

Publication Date: June 2017

Description: Gregg Anderson, CIA, CRMA, Managing Director at Crowe, discusses SASB's role in connecting companies and investors with reliable and comparable data.

Keywords: SASB, ESG, ERM, sustainability reporting, sustainability

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ENGAGEMENT GUIDE: FOR ASSET OWNERS & ASSET MANAGERS

Publication Title: Engagement Guide: For Asset Owners & Asset Managers

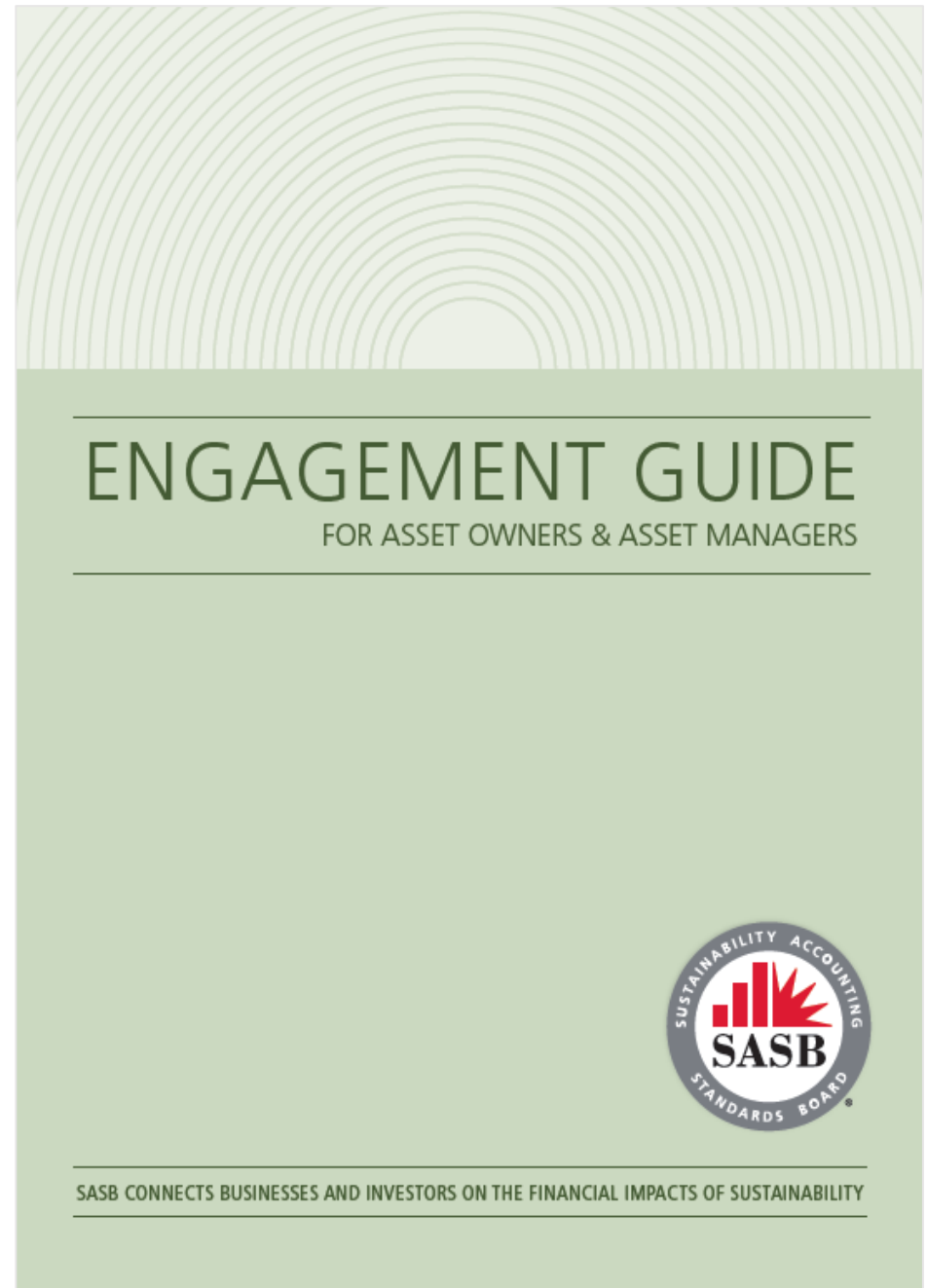
Issued by: Sustainability Accounting Standards Board

Publication Date: January 2019

Description: The SASB Engagement Guide provides industry-by-industry guidance on how asset owners and asset managers can use the SASB standards to inform and enhance their engagement with companies. SASB standards identify the sustainability issues most likely to impact financial performance of companies in 77 industries. For every industry, the Guide poses questions investors can ask to facilitate a more complete and robust assessment of long-term risks and value creation.

Keywords: SASB, asset, sustainability, investors

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SASB'S SUSTAINABLE INDUSTRY CLASSIFICATION SYSTEM® (SICS®)

Publication Title: SASB's Sustainable Industry Classification System® (SICS®)

Issued by: Sustainability Accounting Standards Board

Publication Date: 2018

Description: SASB's Sustainable Industry Classification System® (SICS®) uses an impact-focused methodology categorizing companies under a sustainability lens. SICS builds on and complements traditional classification systems by grouping companies into sectors and industries in accordance with a fundamental view of their business model, their resource intensity and sustainability impacts, and their sustainability innovation potential.

Keywords: SASB, industry classification

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SASB'S SUSTAINABLE INDUSTRY CLASSIFICATION SYSTEM® (SICS®)

It is increasingly clear that a company's market value is determined by more than financial performance. In many industries, as much as 80 percent of market capitalization is made up of intangibles such as intellectual capital, customer relationships, brand value, and other forms of capital—e.g., environmental, social and human. Traditional financial tools tell only a part of the story. SASB's Sustainable Industry Classification System® (SICS®) uses an impact-focused methodology categorizing companies under a sustainability lens. SICS builds on and complements traditional classification systems by grouping companies into sectors and industries in accordance with a fundamental view of their business model, their resource intensity and sustainability impacts, and their sustainability innovation potential. Each of the following 77 industries (across 11 sectors) has its own unique set of sustainability accounting standards in the SASB system.

- CONSUMER GOODS**
 - › Apparel, Accessories & Footwear
 - › Appliance Manufacturing
 - › Building Products & Furnishings
 - › E-Commerce
 - › Household & Personal Products
 - › Multiline and Specialty Retailers & Distributors
 - › Toys & Sporting Goods
- FOOD & BEVERAGE**
 - › Agricultural Products
 - › Alcoholic Beverages
 - › Food Retailers & Distributors
 - › Meat, Poultry & Dairy
 - › Non-Alcoholic Beverages
 - › Processed Foods
 - › Restaurants
 - › Tobacco
- RESOURCE TRANSFORMATION**
 - › Aerospace & Defense
 - › Chemicals
 - › Containers & Packaging
 - › Electrical & Electronic Equipment
 - › Industrial Machinery & Goods
- EXTRACTIVES & MINERALS PROCESSING**
 - › Coal Operations
 - › Construction Materials
 - › Iron & Steel Producers
 - › Metals & Mining
 - › Oil & Gas - Exploration & Production
 - › Oil & Gas - Midstream
 - › Oil & Gas - Refining & Marketing
 - › Oil & Gas - Services
- HEALTH CARE**
 - › Biotechnology & Pharmaceuticals
 - › Drug Retailers
 - › Health Care Delivery
 - › Health Care Distributors
 - › Managed Care
 - › Medical Equipment & Supplies
- SERVICES**
 - › Advertising & Marketing
 - › Casinos & Gaming
 - › Education
 - › Hotels & Lodging
 - › Leisure Facilities
 - › Media & Entertainment
 - › Professional & Commercial Services
- FINANCIALS**
 - › Asset Management & Custody Activities
 - › Commercial Banks
 - › Consumer Finance
 - › Insurance
 - › Investment Banking & Brokerage
 - › Mortgage Finance
 - › Security & Commodity Exchanges
- INFRASTRUCTURE**
 - › Electric Utilities & Power Generators
 - › Engineering & Construction Services
 - › Gas Utilities & Distributors
 - › Home Builders
 - › Real Estate
 - › Real Estate Services
 - › Waste Management
 - › Water Utilities & Services
- TECHNOLOGY & COMMUNICATIONS**
 - › Electronic Manufacturing Services & Original Design Manufacturing
 - › Hardware
 - › Internet Media & Services
 - › Semiconductors
 - › Software & IT Services
 - › Telecommunication Services
- RENEWABLE RESOURCES & ALTERNATIVE ENERGY**
 - › Biofuels
 - › Forestry Management
 - › Fuel Cells & Industrial Batteries
 - › Pulp & Paper Products
 - › Solar Technology & Project Developers
 - › Wind Technology & Project Developers
- TRANSPORTATION**
 - › Air Freight & Logistics
 - › Airlines
 - › Auto Parts
 - › Automobiles
 - › Car Rental & Leasing
 - › Cruise Lines
 - › Marine Transportation
 - › Rail Transportation
 - › Road Transportation

SASB IMPLEMENTATION SUPPLEMENT – GREENHOUSE GAS EMISSIONS AND SASB STANDARDS

Publication Title: SASB Implementation Supplement – Greenhouse Gas Emissions and SASB Standards

Issued by: Sustainability Accounting Standards Board

Publication Date: September 2020

Description: This supplement provides an overview of SASB’s approach to greenhouse gas emissions and related topics in the SASB Standards and offers guidance for reporting entities that wish to disclose Scope 1, 2, or 3 emissions.

Keywords: SASB, GHG, direct emissions, indirect emissions

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SASB Implementation Supplement: Greenhouse Gas Emissions and SASB Standards

SEPTEMBER 2020

- This supplement provides an overview of SASB’s approach to greenhouse gas emissions and related topics in the SASB Standards.
- Reporting entities that wish to disclose Scope 1, 2, or 3 emissions, regardless of their industry, are not precluded from doing so when using SASB Standards. Disclosure of this information may be made alongside relevant SASB disclosures. This is consistent with the guidance provided in the “Use of the Standards” section of SASB Standards, available for download [here](#).

Contents

- 1 Introduction
- 2 Methodology and Background: Greenhouse Gas Emissions and SASB Standards
- 2 The Structure and Development of SASB Standards
- 4 Direct Emissions in SASB Standards
- 5 Indirect Emissions in SASB Standards
- 6 Future SASB Research

Introduction

SASB aims to facilitate more effective communication between companies and investors on the environmental, social, and governance (ESG) topics most relevant to long-term enterprise value creation. SASB’s industry-specific disclosure standards are fundamental to achieving that goal. SASB Standards identify the subset of ESG issues reasonably likely to materially impact the financial performance of the typical company in an industry. The Standards are developed using a transparent due process that is evidence-based and market-informed.

This document provides a practical overview of how risks and opportunities related to greenhouse gas (GHG) emissions (Scope 1, Scope 2, and Scope 3) are captured in SASB Standards, including summarizing which industry standards include topics related to Scope 1, 2, and/or 3 GHG emissions. The Methodology and Background section of this document provides an explanation of SASB’s standard-setting process and presents the rationale for the treatment of GHG emissions in the Standards.

Regardless of the specific disclosures recommended by SASB Standards, SASB recognizes that certain regulatory jurisdictions require disclosure of Scope 1, 2, and 3 GHG emissions across all industries. **Use of SASB Standards does not preclude disclosure of Scope 1, 2, and 3 GHG emissions by a company in any industry, either to meet regulatory requirements or to prepare disclosures in accordance with a framework such as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. (See below.)**

TCFD CONSIDERATIONS

In its recommendations related to Metrics & Targets, the Task Force on Climate-Related Financial Disclosures (TCFD) states that reporting entities should “disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.” Consistent with this financial materiality-based approach, SASB Standards provide a useful tool for companies wishing to disclose performance metrics, along with performance targets, on industry-specific climate-related risks and opportunities to investors as part of their TCFD-aligned reporting. Specifically, SASB Standards include disclosure topics and metrics related to Scope 1 emissions in 22 of 77 industry Standards, for energy management (as a surrogate for Scope 2 emissions) in 35 of 77 industry Standards, and for drivers of other indirect emissions (commonly referred to as Scope 3 emissions) in many other industry Standards.

The TCFD recommends that **companies in any industry** disclose, where material, direct emissions in the form of Scope 1, and indirect emissions in the form of Scope 2 and Scope 3. For **companies in any industry** wishing to report Scope 1, 2, and 3 emissions, use of SASB Standards does not preclude disclosing this data alongside their SASB-aligned disclosures.

In cases in which a company determines that Scope 1, Scope 2, and/or Scope 3 emissions are not likely to be material, the company may still choose to disclose this information, as both societal and regulatory expectations around disclosure of this information are increasing. For example, asset owners and asset managers are likely to request this information from portfolio companies due to the TCFD’s recommendation that asset owners and managers report the weighted carbon intensity for each of their funds or investment strategies. Thus, many companies will be asked by their investors to report Scope 1, 2, and 3 GHG emissions regardless of a materiality determination. Use of SASB Standards does not preclude disclosing this data alongside SASB-aligned disclosures.

CONNECTING BUSINESSES AND INVESTORS ON THE FINANCIAL IMPACTS OF SUSTAINABILITY

Publication Title: Connecting Businesses and Investors on The Financial Impacts of Sustainability

Issued by: Sustainability Accounting Standards Board

Publication Date: 2020

Description: This document shows how SASB connects businesses and investors on the financial impacts of sustainability and how SASB standards can help investor relations.

Keywords: SASB, TCFD, financial materials, sustainability, investor relations

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CONNECTING BUSINESSES AND INVESTORS ON THE FINANCIAL IMPACTS OF SUSTAINABILITY



Financially Material: SASB's mission is to help businesses around the world identify, manage, and report on the sustainability topics that are critical to investors.



Market Informed: SASB standards are developed based on extensive feedback from companies, investors, and other market participants as part of a transparent, publicly documented process.



Industry Specific: SASB standards are tailored to specific industries, enabling investors and companies to compare peer performance within each industry.

How Does SASB View Sustainability in Business?

- › For beverage manufacturers, effective water management—especially in certain regions—is essential to ensure the availability and cost-stability of a critical input.
- › For a consumer finance firm, safeguarding the privacy of customers' data is critical for driving revenue growth and avoiding legal or regulatory action.
- › For a producer of containers and packaging, innovative use of recyclable, reusable, and compostable materials can capture shifting consumer preferences and create competitive advantage.

Learn more at the [SASB Materiality Map](#)*

SASB for Companies

Businesses today face unique challenges to their long-term sustainability, from climate change and resource constraints to urbanization and technological innovation.

And investors increasingly want companies to identify how they are managing these risks and opportunities and how sustainability issues impact corporate value creation.

SASB standards are helping companies ...

- › Identify, assess, manage, and monitor the handful of sustainability factors most likely to impact their ability to create value over the long term
- › Communicate consistent, comparable, and reliable sustainability data to investors
- › Implement principles-based reporting frameworks including integrated reporting and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

SASB standards can be a core part of any robust reporting system. Whether used alone or alongside other reporting frameworks, SASB standards and metrics enable companies to communicate with investors in a detailed, powerful way.

[Find your SICs industry and download the standards at SASB.org](#)

STATEMENT OF INTENT TO WORK TOGETHER TOWARDS COMPREHENSIVE CORPORATE REPORTING

Publication Title: Statement of Intent to Work Together Towards Comprehensive Corporate Reporting

Issued by: CDP, CDSB, GRI, IIRC and SASB

Publication Date: September 2020

Description: Summary of alignment discussions among leading sustainability and integrated reporting organisations CDP, CDSB, GRI, IIRC and SASB. The paper, titled Statement of Intent to Work Together Towards Comprehensive Corporate Reporting, provides a shared vision, a joint commitment, and joint market guidance.

Keywords: SASB, CDP, CDSB, GRI, IIRC, comprehensive corporate reporting, financial reporting, sustainability

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Statement of Intent to Work Together Towards Comprehensive Corporate Reporting

Summary of alignment discussions among
leading sustainability and integrated reporting
organisations CDP, CDSB, GRI, IIRC and SASB

Facilitated by the Impact Management Project,
World Economic Forum and Deloitte

September 2020



INDUSTRY GUIDE TO THE SUSTAINABLE DEVELOPMENT GOALS

Publication Title: Industry Guide to the Sustainable Development Goals

Issued by: Sustainability Accounting Standards Board

Publication Date: June 2020

Description: The SASB Industry Guide to the Sustainable Development Goals provides an overview for investors and companies to build their understanding of the important and actionable interconnections between SASB standards and the SDGs. Significant overlap between SASB topics and SDG targets can help identify risks and opportunities that—if effectively managed—can create shared value for companies, investors, and the world in which they operate.

Keywords: SASB, industry guide, SDGs, sustainability, companies, investors

[Download](#)



Industry Guide to the Sustainable Development Goals

Sustainability Accounting Standards Board June 2020

IMPLEMENTATION PRIMER

Publication Title: SASB Implementation Worksheet

Issued by: Sustainability Accounting Standards Board

Publication Date: 2020

Description: SASB offers this Implementation Primer as a reference document for companies that have chosen to integrate SASB standards into their core communications with investors. It aims to help them select appropriate sustainability accounting standards for their organization and effectively embed key topics and metrics into core management and reporting functions.

Keywords: SASB, implementation primer, sustainability

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SASB IMPLEMENTATION WORKSHEET



Assessing Your Readiness



KEY ACTIONS

- Review and understand the SASB metrics** - Review—in detail—the metrics (and accompanying technical protocols) associated with their selected SASB disclosure topics to familiarize themselves with not only the top-line metrics themselves, but their underlying methodologies for collection, calculation, compilation, and presentation
- Analyze the delta between existing information and planned disclosures** - Assess whether and how the company currently discloses information relevant to each SASB topic in its core communications with investors to identify gaps in reporting and opportunities to leverage the SASB-aligned disclosure that already exists

Additionally, in performing this analysis, the company is likely to identify three categories of metrics: (1) those for which it is already collecting SASB-aligned data; (2) those for which it is collecting similar data; and (3) those for which it is collecting no data. The company should consider the following questions for each category:

Metrics that the Company Already Collects

- Have the metrics historically been used for disclosure in financial reports or subject to independent, third-party verification?
- Have previous assessments of the metrics revealed a relatively weak control environment?

Metrics that the Company Collects Similar Data For

- Who owns the data internally?

- Is the data inconsistent with the SASB standard because it represents an entirely different metric related to the same topic, or because the company employs different methodologies from those specified in the SASB technical protocols?
- What are the associated costs—in terms of time, effort, money, or other resources—to bring the metric into full alignment?

Metrics that the Company Hasn't Previously Collected

- Which internal stakeholders are best positioned to review the SASB metric and associated technical protocols to assess the company's ability to collect the data?
- What is the most likely path for collecting the required information and the associated level of time, effort, and cost?

- Ensure data reliability** – Ensure the company has leveraged existing systems, processes, and approaches, to effectively communicate financially material sustainability risks, opportunities, and performance and to ensure reliable data. Such an approach may involve the application of internal control, the establishment of appropriate disclosure controls and procedures, and the engagement of independent, third-party assurance, among other activities. Use the following questions to guide decisions related to internal controls over SASB metrics, disclosure controls and procedures, and independent, third-party assurance:

continued >>

Links to Publications

No.	Publication Title	Link
1.	SASB Industry Standards	https://www.sasb.org/standards-overview/download-current-standards/
2.	Converging on Climate Risk: CDSB, the SASB, and the TCFD	https://www.sasb.org/wp-content/uploads/2019/08/SASB_CDSB-TCFD-ConvergingOnClimateRisk-091817-web.pdf
3.	Want to Get Serious About Sustainability? Use SASB's Standards to Inform ERM	https://www.sasb.org/wp-content/uploads/2019/06/SASB-and-ERM-RISK-17019-009A-1.pdf
4.	Engagement Guide: For Asset Owners & Asset Managers	https://www.sasb.org/wp-content/uploads/2019/08/SASB-EngagementGuide2-1.pdf
5.	SASB'S Sustainable Industry Classification System® (SICS®)	https://www.sasb.org/wp-content/uploads/2018/11/SICS-Industry-List.pdf
6.	SASB Implementation Supplement – Greenhouse Gas Emissions and SASB Standards	https://www.sasb.org/wp-content/uploads/2020/10/GHG-Emmissions-100520.pdf
7.	Connecting Businesses and Investors on The Financial Impacts of Sustainability	https://www.sasb.org/wp-content/uploads/2020/04/About-SASB-Sheet-ForInvestorRelations-022020.pdf
8.	Statement of Intent to Work Together Towards Comprehensive Corporate Reporting	https://29kjwb3armds2g3gi4lq2sx1-wpengine.netdna-ssl.com/wp-content/uploads/Statement-of-Intent-to-Work-Together-Towards-Comprehensive-Corporate-Reporting.pdf
9.	Industry Guide to the Sustainable Development Goals	https://www.sasb.org/wp-content/uploads/2020/06/Whitepaper-SDGMapping-060920.pdf
10.	Implementation Primer	https://www.sasb.org/implementation-primer/



Sustainability Knowledge Group is a global advisory firm dedicated in creating value for businesses through **strategic advisory** and **training solutions**. In recognition of the importance of sustaining competitive advantage in today's marketplace, we support companies to develop and apply strategies that minimise risks and demonstrate leadership.

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Centre (JBC), Jumeirah
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