



# The Sustainability Accounting Standards Board

**SASB Workshop: Making ESG Reporting Financially Relevant**

*A presentation for the Asia Corporate Governance Association's 2020 Annual Conference*

**Katie Schmitz Eulitt**  
Director, Investor Outreach

# 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**



# The SASB Difference

SASB standards are created for the market, by the market



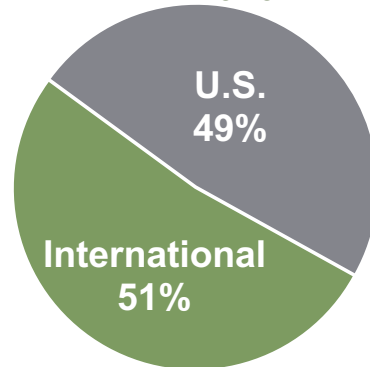
# Increasing Corporate Use of the Standards

Tremendous growth in both references and reporters

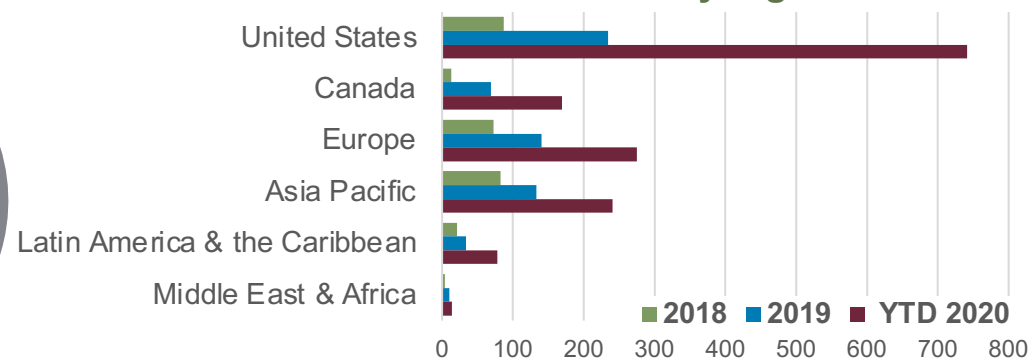
**SASB References –  
137% Growth YTD 2020**

- 1,071 unique companies YTD 2020
- 451 unique companies in 2019

**SASB References  
YTD 2020**



**Growth in SASB References by region**

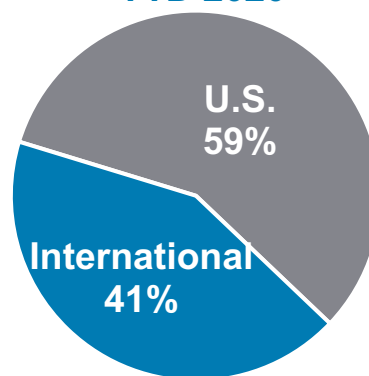


Updated as of November 2020

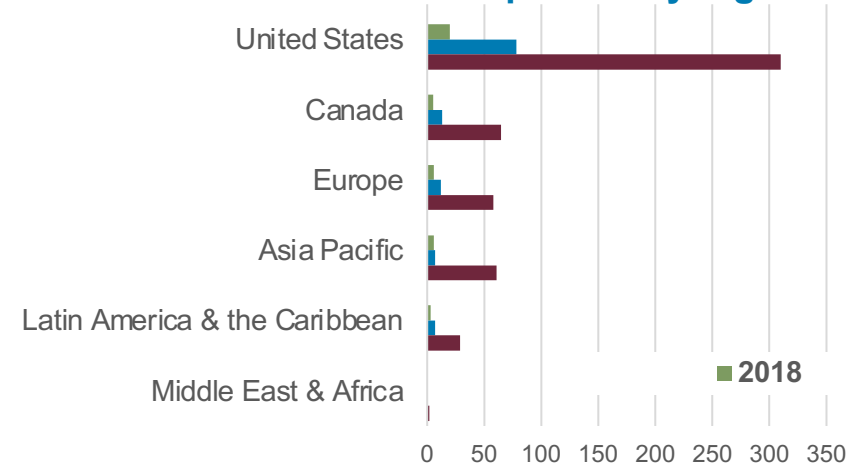
**SASB Reporters –  
324% Growth YTD 2020**

- 497 SASB reporters YTD 2020
- 117 SASB reporters in 2019

**SASB Reporters  
YTD 2020**



**Growth in SASB Reporters by region**

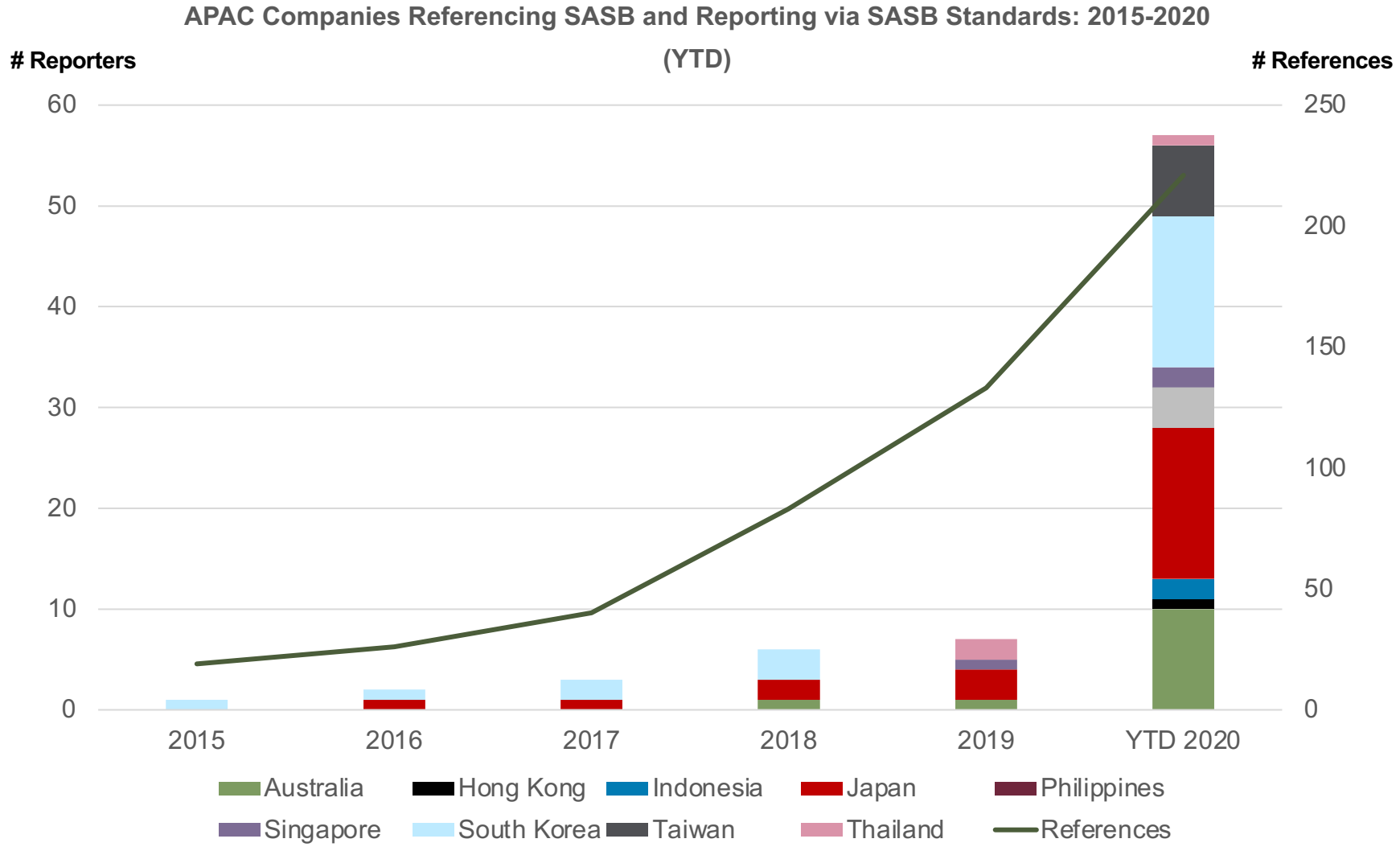


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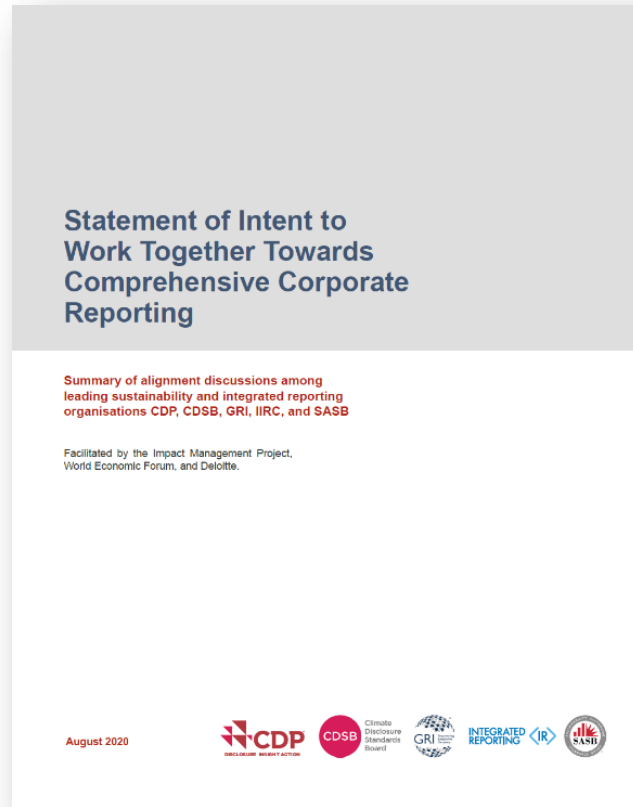


# Growth in Reporters and References to SASB by Companies in APAC Region



# Joint Statement on Comprehensive Corporate Reporting

Common vision for the future of the sustainability disclosure field



The paper provides:

- A shared vision for how these existing standards and frameworks can serve as a basis for a coherent and comprehensive corporate reporting system
- A joint commitment to drive toward this goal through an ongoing program of deeper collaboration between the institutions
- Joint market guidance on how these frameworks and standards can be applied in a complementary and additive way

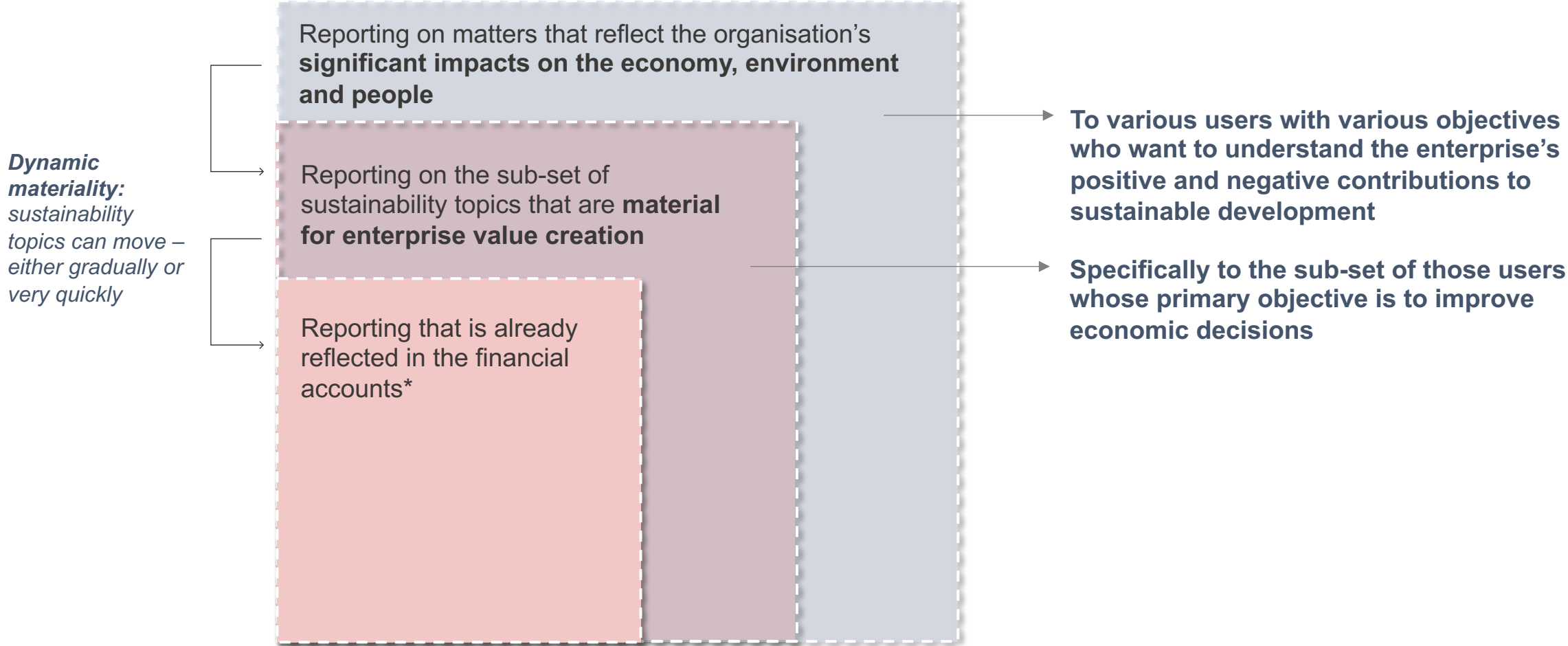
*The paper builds on the work of the Better Alignment Project, which was coordinated by the Corporate Reporting Dialogue*

The paper is a significant step forward toward developing a common language, common visuals, and common vision for the future of the sustainability disclosure field.



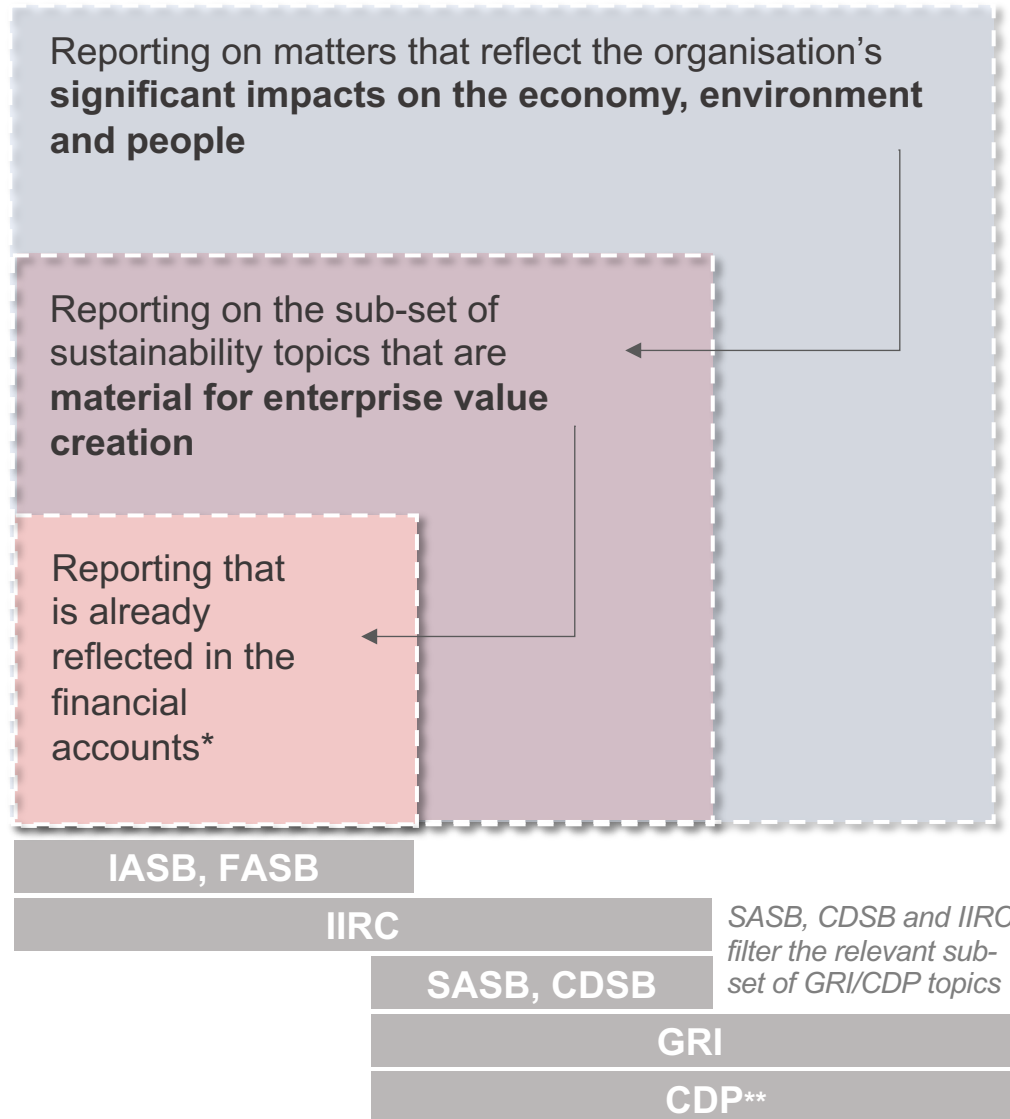
<https://impactmanagementproject.com/structured-network/statement-of-intent-to-work-together-towards-comprehensive-corporate-reporting/>

# Joint Statement of Intent: Sustainability disclosure serves many purposes and multiple users



\* Including assumptions and cash flow projections

# Joint Statement of Intent: Complementary standards address distinct materiality concepts



Structural connectivity of standards enables preparers:

- to engage with consistent sustainability disclosure measures to reduce burden and confusion
- to connect sustainability information with information in the financial accounts

## Notes

\* Including assumptions and cash flow projections

\*\* <IR> Framework focuses on comprehensive value creation of organisations over time, which includes the 6 capitals (financial, manufactured, intellectual, human, social and relationship and natural)

\*\*\* Reflects the scope of the CDP survey, insofar as it functions de facto as a disclosure standard for climate, water and forestry, as well as the scope of CDP's data platform

## The <IR> Framework and SASB Standards

### *Complementary tools for investor-focused communications*

- The <IR> Framework drives 'integrated thinking' and effective governance across financial, manufactured, intellectual, social and relationship, human, and natural capitals to support effective communication of long-term value creation
- The SASB Standards identify the subset of environmental, social, and governance issues most relevant to financial performance in each of 77 industries
- The <IR> Framework provides principles-based guidance for reporting structure and content, while SASB provides specific metrics to help understand non-financial risks and opportunities in greater detail
- When used together, integrated reporting creates the connectivity needed to understand the relationship between non-financial and financial performance, while SASB Standards enable the comparability and accountability needed to accurately assess the effectiveness of a company's governance, strategic planning, and risk management

- **Complementary philosophies**
  - Both IIRC and SASB are focused on a target audience of providers of financial capital and on long-term enterprise value creation
- **Complementary 'products'**
  - The IIRC has a framework (principles-based guidance reporting structure and content) and SASB has Standards (detailed requirements for what to report)
- **Complementary networks**
  - SASB has a strong network of investor supporters, whereas the IIRC has a stronger business network
- **Complementary geographic scope**
  - Integrated reporting has strong international recognition whereas SASB is strong in the US

# GRI – SASB Collaboration Continues: Progress Update

Goal is to make it less complex for companies to use both GRI and SASB standards

## ANNOUNCE INTENT TO COLLABORATE

Previewed at April IIRC  
Council Meeting

Press release issued July  
2020

## DEMONSTRATE HOW STANDARDS CAN BE USED TOGETHER

Survey &  
Interview on  
using both  
standards

Completed  
October,  
2020

Technical  
Illustration  
Report

Dec, 20 or  
Jan, 21

## COMMIT TO ACHIEVE “INTER-OPERABILITY”

Develop approach in 2021

Approaches to be  
evaluated:

- Common taxonomy
- Common metrics
- Collaborative standard-setting

# Investor Support: Ongoing Investor Surveys Show Support for SASB

Growing number of Investor Statements and other References to SASB across Markets

*Q: In the context of facilitating research on a company's ESG performance and approach, what frameworks would you recommend that companies focus on to best communicate their ESG information?*

81% SASB

77% TCFD

## GEOGRAPHIC DISTRIBUTION OF RESPONDENTS

	2020
UK	39%
US	27%
Europe ex UK	8%
ROW*	26%

Source: [Morrow Sodali 2020 Institutional Investor Survey](#) of 40+ institutional investors with \$26 trillion in assets

## TOP 3 ESG FRAMEWORKS Used in Investment Analysis



1. Task Force on Climate-related Financial Disclosures (TCFD)



2. United Nations Sustainable Development Goals (SDGs)



3. Sustainability Accounting Standards Board (SASB)



2020 Canadian RI Trends Report

Sponsored by:



Source: Responsible Investment Association Canada *2020 Canadian RI Trends Report*



# Thank you.



Accounting for a  
Sustainable Future





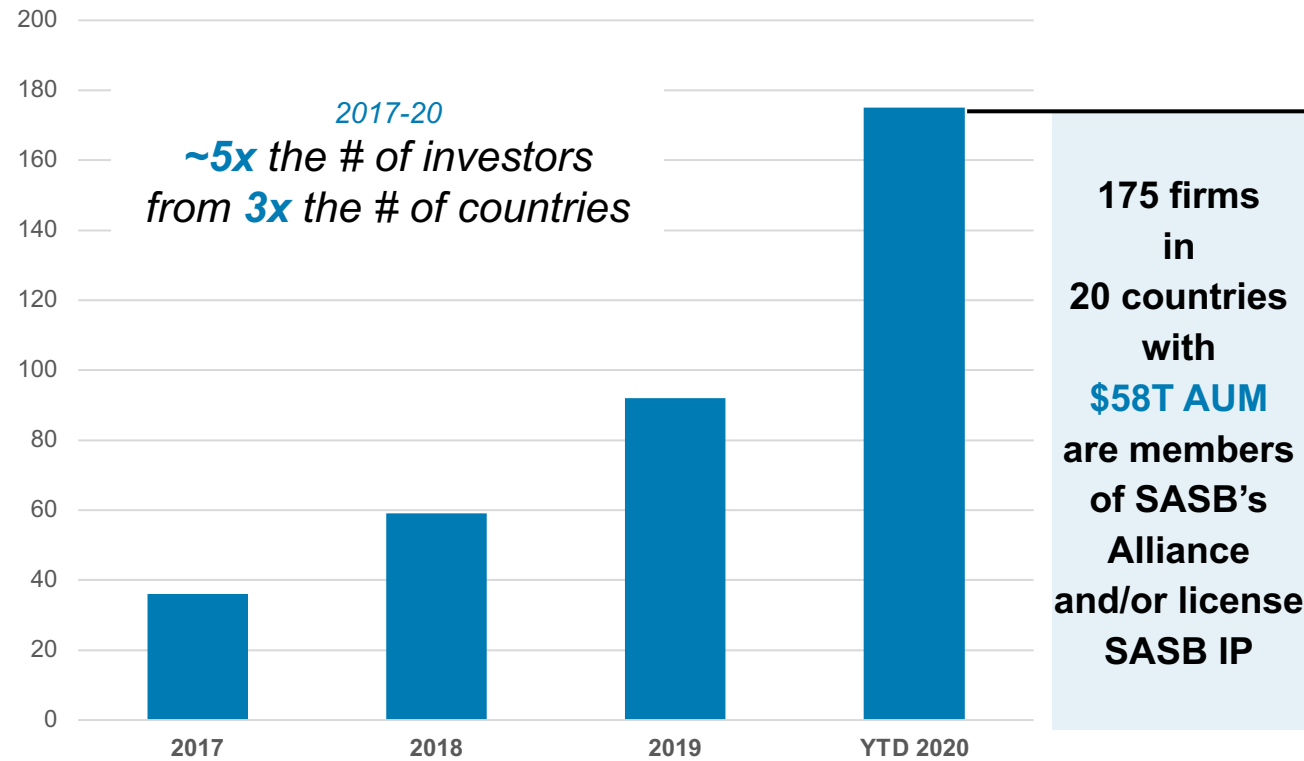
# APPENDIX

# Investor Use: Rapidly Growing Support from International Investors

Dramatic increase in investors around the world using and licensing the

## Investor Supporters

# of SASB Alliance/Investor Advisory Group Members and Licensees



# of Countries Represented	2017	2018	2019	YTD 2020
	6	9	14	20

Updated YTD October 2020



# Investor Support: investor statements and policy guidelines call for SASB disclosure

E.G., recent statements from Canada’s “Maple 8” and the UK Treasury Asset Management Task Force on Stewardship

CEOs of Eight Leading Canadian Pension Plan Investment Managers Call on Companies and Investors to Help Drive Sustainable and Inclusive Economic Growth

November 25, 2020



“We ask that companies measure and disclose their performance on material, industry-relevant ESG factors by leveraging the Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework to further standardize ESG-related reporting. While the SASB standards focus broadly on industry-relevant sustainability reporting, the TCFD framework calls for climate-specific disclosures across several reporting pillars (governance, strategy, risk, and metrics and targets). Both are useful to investors and informative to companies working to frame their ESG reporting.”



“The Sustainability Accounting Standards Board (SASB) and Taskforce for Climate Related Financial Disclosures (TCFD) already have a significant amount of traction with global investors and companies and are the basis on which many investors are developing their ESG integration processes. Both these standards are embedded in principles of materiality and strong governance, where the emphasis is on the company to identify the impact of material environmental, social and governance risks on their business model and strategy, and how these feature in their risk management, oversight and capital allocation plans. This emphasis ensures a dynamic rather than static consideration of sustainability factors, enabling focused engagement on how companies are transitioning their business model to a more sustainable footing. **This sector specific approach and focus on governance and materiality provides essential information for investors to incorporate ESG information into their investment and stewardship processes and importantly, to be able to compare the long-term value of companies within sectors on a consistent basis.** Work is underway to ensure that the metrics and indicators that support these disclosures are applicable in global markets.”

# Regulators in UK, Canada, Japan recognize value of TCFD and SASB



Financial Reporting Council

## UK Financial Reporting Council (FRC) encourages UK public interest entities to voluntarily report using the TCFD Recommendations and SASB Standards:

*“In order to meet the ambition of UK stakeholders to improve the quantity and quality of climate-related and wider environmental, social and governance reporting, we believe some of the existing frameworks can act as steps in supporting the market to move more quickly to meet the information needs of investors and other capital providers. **The FRC therefore encourages UK public interest entities voluntarily to report against the Task Force on Climate-related Financial Disclosures’ (TCFD) 11 recommended disclosures and, with reference to their sector, using the Sustainability Accounting Standards Board (SASB) metrics.** We encourage companies to reporting on these areas within their next reporting cycle, where possible, and disclosure should be considered in the context of the existing strategic reporting framework in the UK.”*

Source: <https://www.frc.org.uk/getattachment/6d8c6574-e07f-41a9-b5bb-d3fea57a3ab9/Reporting-FINAL.pdf>

### SASB-related Regulatory Highlights in Canada, Japan, and Taiwan

Canada (Proposed)	Japan	Taiwan (Proposed)
<ul style="list-style-type: none"><li>Regulator: Ontario Securities Commission</li><li>Scope of Companies: TSX issuers</li><li>Sustainability Factors: Material ESG information</li><li>Standards?: Use of SASB Standards and/or TCFD Recommendations</li></ul> <p><b>Consultation underway</b></p>	<ul style="list-style-type: none"><li>Regulator: Ministry of Environment, Trade, and Industry</li><li>Scope of Companies: All companies</li><li>Sustainability Factors: Climate-risk disclosure based on Guidance for Climate-related Financial Disclosures (TCFD Guidance)</li><li>Use of TCFD Recommendations; guidance notes that SASB tools can support implementation.</li></ul>	<ul style="list-style-type: none"><li>Regulator: Taiwan’s Financial Supervisory Commission</li><li>Scope of companies: Listed companies</li><li>Sustainability factors: ESG disclosure based on “Corporate Governance Roadmap 3.0”</li><li>Standards?: Calls for use of SASB and TCFD in meeting requirements</li></ul> <p><b>In final stage of consultation</b></p>



# SASB Investor Advisory Group & Alliance Equity Ownership

Total shareholdings in select indices\*

	SASB IAG	SASB Alliance
S&P Global 1200	24%	29%
S&P 500	36%	42%
S&P Europe 350	19%	22%
S&P/TSX 60	22%	27%
S&P Asia 50	16%	19%
S&P Latin America 40	13%	16%
S&P/TOPIX 150	12%	14%
S&P/ASX All Australian 50	15%	16%

\*Mean shareholding by group members in free float of all securities in the index

Source: IHS Markit, September 2020

# Who is SASB's Investor Advisory Group?

50+ global asset owners and asset managers calling for standardized ESG disclosure

- **50+ current Investor Advisory Group (IAG) members**  
**\$41+ trillion** in assets under management
- Representing **12 countries**; **41%** domiciled outside the U.S.

Australia

Canada

Denmark

Finland

France

Germany

Japan

Netherlands

Norway

Singapore

United Kingdom

United States

- Engage with companies individually and jointly, asking companies to use SASB Standards at the core of investor-focused communications
- Provided significant market feedback to SASB relative to our strategy

# IAG Working Groups



# Use of SASB Standards across Markets



# Global Interest

SASB standards are drawing interest across global capital markets

630,000+

STANDARDS  
DOWNLOADS  
by

43,000+

USERS  
in

170+  
COUNTRIES

Canada  
6%

United States  
32%

Europe  
29%

Asia Pacific  
25%

Latin America &  
the Caribbean  
4%

Middle East  
& Africa  
3%

[sasb.org/global-use/](https://sasb.org/global-use/)

Updated November 2020



# Reporting Channels

SASB-reporting companies use a variety of different channels and formats

## Standalone SASB Report

**BlackRock Sustainability Accounting Standards Board Disclosure**  
For the year-ended December 31, 2018

All data in this Sustainability Accounting Standards Board ("SASB") disclosure is as of, or for the year-ended December 31, 2018 unless otherwise noted.

**BlackRock**

## Regulatory Filing

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-K**

Annual Report Pursuant to Section 12 or 15(d) of the Securities Exchange Act of 1934  
For the fiscal year ended December 31, 2018

OR  
Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-32811

**ETSY, INC.**  
(Exact name of registrant as specified in its charter)

Delaware 20-099021  
(State or other jurisdiction of incorporation or organization) (SIC Report Classification Code)

117 Adams Street, Brooklyn NY 11201  
(Address of principal executive office) (City and State)

(718) 500-5048  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Act of 1933:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	ETSY	The Nasdaq Capital Market

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months for the reporting period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted documents and reports required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months for the reporting period that the registrant was required to submit such files. Yes  No

## Data Table

2019 Sustainability and ESG Navigator and Dashboard 2020

**BHP**  
Sustainability Accounting Standards Board (SASB) Index  
Industry Standard: Metals and Mining  
For the year ended 30 June 2020

Task	Code	Assessment/Notes	BHP Response
Greenhouse Gas Emissions	GHM001-001	Scope 1 and 2 greenhouse gas emissions, percentage of emissions covered under emissions trading legislation	Annual Report 2020 section 6.1 Climate Change Detailed information on Scope 1 and 2 emissions and emissions trading legislation is available in our 2020 Sustainability Report.
Water	GHM001-002	Discussion of water stress and short-term strategic water targets, and an analysis of performance against those targets	Annual Report 2020 section 6.2 Climate Change Detailed information on water stress and short-term strategic water targets is available in our 2020 Sustainability Report.
Waste	GHM001-003	All emissions of the following pollutants: (i) CO <sub>2</sub> , (ii) SO <sub>2</sub> , (iii) NO <sub>x</sub> , (iv) particulate matter (PM <sub>10</sub> ), (v) heavy metals (lead, mercury, cadmium, chromium, copper, nickel, zinc), and (vi) ozone-depleting substances (ODS)	Annual Report 2020 section 6.3 Environment - Performance Data Detailed information on emissions of the following pollutants is available in our 2020 Sustainability Report.
Energy Management	GHM001-004	(i) Total energy consumed, (ii) percentage of energy generated and consumed renewable	Annual Report 2020 section 6.4 Climate Change - Performance Data Detailed information on energy management is available in our 2020 Sustainability Report.
Value Management	GHM001-005	(i) Total cash value withdrawn, (ii) percentage of value withdrawn from high or extremely high quality Value Drivers	(i) and (ii) Annual Report 2020 section 6.5 Environment - Performance Data and section 6.5 Value - Performance Data Detailed information on value management is available in our 2020 Sustainability Report.
Legal & Regulatory	GHM001-006	Number of incidents of non-compliance associated with applicable laws, standards, and regulations	We do not publicly report the number of incidents of non-compliance associated with applicable laws, standards, and regulations. We are working to improve our disclosure of the data to our investors.
Human Resources	GHM001-007	Total weight of tailings waste, percentage recycled	For FY2020 our tailings were over 80% recycled. Detailed information on human resources is available in our 2020 Sustainability Report.
Community	GHM001-008	Total weight of mineral processing waste, percentage recycled	Annual Report 2020 section 6.6 Environment - Performance Data Detailed information on community is available in our 2020 Sustainability Report.

## Integrated Report

**Ayala**  
2019 Integrated Report

Transforming experiences to deliver the digital future to you

Your ZALORA packages have been delivered. Connect with us on social media and let us know what you think.

## SASB Index

Accounting Metrics with TEPCO's Value Chain

(Fuel Procurement & Thermal Power Generation) Power Generation

J018 TEPCO

**Metrics for Power Generation**

Year	Greenhouse Gas Emissions (t-CO <sub>2</sub> -t/ha)		Air Emissions (t-CO <sub>2</sub> -t/ha)		Water Management (t-CO <sub>2</sub> -t/ha)		Waste of Non-Compliance (t-CO <sub>2</sub> -t/ha)		Cash At Risk Management (t-CO <sub>2</sub> -t/ha)	
	Scope 1	Scope 2	SO <sub>x</sub>	NO <sub>x</sub>	Total Water Consumed	Total Water Recycled	Number	Amount	Weight	Value
2017	84,300,000	15,100	7,000	N/A	N/A	63,767,496	9,824	0	74,000	96.8
2018	81,000,000	15,000	6,000	N/A	N/A	58,238,437	9,809	0	74,000	96.8
2019	20,000	2,900	1,000	N/A	N/A	53,537,878	6	0	0	N/A









[sasb.org/company-use/sasb-reporters/](https://sasb.org/company-use/sasb-reporters/)



# Fostering Uptake of SASB Standards in APAC

# Internationalization: Published Guidance in French, German, Japanese, Spanish

Translated standards forthcoming in Q1 2021

 <b>Guía de aplicación de los estándares SASB</b> VERSION 2018-10	 <b>SASB 基準適用ガイダンス</b> バージョン 2018-10	 <b>SASB Standards Application Guidance (Leitfaden zur Umsetzung von Standards bei SASB)</b> VERSION 2018-10	 <b>Guide d'application des normes du SASB</b> VERSION 10-2018
 <p>MANUAL DE IMPLEMENTACIÓN</p>	 <p>実施入門書</p>	 <p>UMSETZUNGSGRUNDLAGEN</p>	 <p>LIVRE ÉLÉMENTAIRE DE MISE EN ŒUVRE</p>

Translations in simplified and traditional Mandarin are forthcoming in 2021.



# SASB by the Numbers

## Global Use of and Support for SASB Standards

>50%

companies referencing SASB in their communications domiciled outside the USA\*

41%

SASB reporters are domiciled outside the USA\*

41%

SASB Investor Advisory Group members domiciled outside the USA

52%

Organizations licensing SASB standards domiciled outside the USA

~40%

SASB Standards Advisory Group members domiciled outside the USA

\* Since 2018  
Updated October 2020

# Value Reporting Foundation

## Next Steps and other details

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### The Value Reporting Foundation

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### Next Steps

#### What's new

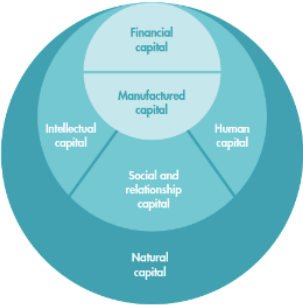
- Janine Guillot will be CEO of the Value Reporting Foundation (VRF).
- VRF will be headquartered in SF and London.
- Target closing merger by mid-2021.
- VRF intends to work with IFRS, IOSCO etc to work toward a comprehensive corporate reporting system.

#### What is not changing

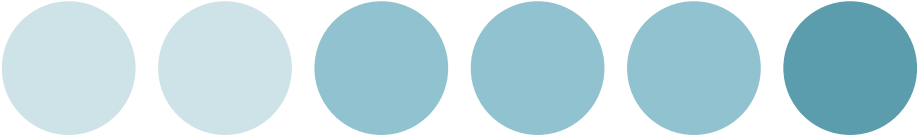
- There will be no change to:
  - SASB's remit
  - SASB Standards or governance of SASB's standards-setting process
  - The role of the IAG or other advisory groups
- Collaboration between members of the "Group of 5" is ongoing.



# The IIRC and SASB merger provides the opportunity to more closely align <IR>'s principles based framework and SASB's detailed standards

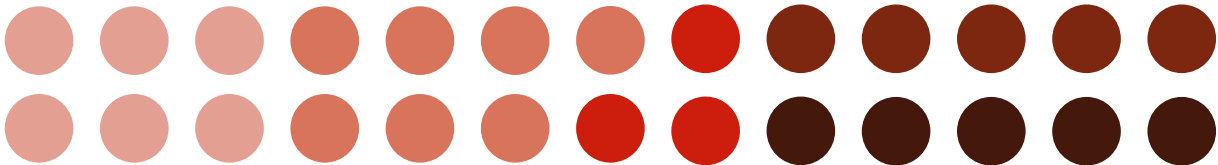


6 CAPITALS



5 SASB SUSTAINABILITY DIMENSIONS

26 GENERAL SUSTAINABILITY ISSUES



↳ Containing 400+ Industry-Specific\* Disclosure Topics and related metrics

