



Jerome Lavigne-Delville
Andrew Collins

75 Broadway Suite 202
San Francisco, CA 94111
www.sasb.org

May 19, 2014

Dear Climate Disclosure Standards Board,

I am write on behalf of the Sustainability Accounting Standards Board (SASB), a 501c3 organization that provides sustainability accounting standards for the disclosure of material sustainability issues by publicly-listed corporations in the U.S, for the benefit of investors and the public. SASB receives strategic guidance from a Board of 16 members and an Advisory Council of 150+ members. SASB's standards development work is overseen by a Standards Council of 16 experts in accounting, law, investment and sustainability and vetted by Industry Working Groups with more than 1,600 experts participating to date. These working group members represent \$17T assets under management and \$8T market capital.

SASB's development of industry-specific sustainability accounting standards complements the work of CDSB. SASB and CDSB share a vision of a world in which all forms of capital are recognized and stewarded by the capital markets. Both SASB and CDSB have a transparent and multi-stakeholder process that includes review by outside councils and public comment periods. SASB is invested in the work of the Climate Disclosure Standards Board and is honored to provide official support of the CDSB Framework – Edition 2.0.

SASB makes the following responses to the "Consultation Questions" asked by CDSB:

- Question 1, 2A-D, and 3A - SASB is in agreement with the questions posed.
- Question 4A – SASB believes this type of information should be presented in the Management's discussion and analysis section of mainstream reports.
- Question 4B – SASB supports the presentation of this information in a separate section.
- Question 5A – SASB believes that the information produced according to the Framework is sufficient to explain how performance is affected by the organization's dependence on, use of, and effect of environmental elements, as they are defined by the framework. SASB's Standards provide additional specificity with regards disclosure of performance on environmental topics in specific industry contexts.
- Question 6A- SASB has no specific comment.
- Question 7 – SASB supports guidance that results in a clear and concise disclosure, as well as any guidance that will result in disclosure that is decision-useful to investors and comparable amongst organizations. To this end, SASB advocates that disclosure, at a minimum, meets the legal requirements for disclosure of material information for the country (or countries) in which the organization is a listed security. Therefore, SASB does not see the need for minimum reporting requirements as disclosure should be governed by the concept of materiality. SASB recommends that CDSB continue to refer to, "frameworks and standards that prescribe quantification approaches."

In an effort to enable disclosure that is concise, relevant, decision-useful, and comparable, SASB's industry-specific disclosure standards provide metrics that are likely to be material for organizations within each major industry that are listed on US securities exchanges.

- Question 8 – Wherever possible, SASB supports the use of existing environmental metrics and/or existing metrics that may serve a proxy for environmental performance.
- Question 9 – SASB has no specific comment.
- Question 10B- SASB supports the requirement of assurance and verification of environmental disclosure.
- Question 11 – SASB has the following additional comments:
 - REQ 1 – SASB recommends that the line beginning “Ability to afford” be changed to “Ability to obtain” to account for a scenario when physical availability is restricted that may or may not be reflected in price for a material or input.
 - REQ 1 – CDSB may wish to consider including “positioning with respect to peers” as an element of context.
 - REQ-3 – SASB recommends that the statement, “The type of comparative analysis that is encouraged includes a description of:” be changed to “The type of comparative analysis that is encouraged includes, *where appropriate*, a description of:” as all elements listed may not be appropriate for all comparative analyses.
 - REQ4 – CDSB may wish fold this requirement into one or more areas of REQs 5-7, or CDSB may wish provide additional guidance for this requirement such as:
 - What constitutes direct versus indirect mitigation, adaptation, or enabling.
 - An encouragement to quantify the impact whether direct or indirect.
 - The degree to which these products and services present a market opportunity for the organization (i.e., contribute to revenue growth).
 - REQ-8 – CDSB may wish to include guidance that disclosure describe how the organization’s political spending is or is not aligned with its objectives related to environmental matters.
 - REQ-22 – CDSB may wish to further highlight the importance of the “comparability” criteria by including the term in the requirement itself. In the explanatory notes, CDSB may wish to connect the concept of comparability with the use of existing frameworks and standard (i.e., those in Section IV).

Thank you for the opportunity to voice our support of CDSB Framework – Edition 2.0

Kind Regards,

Jerome Lavigne-Delville
Director, Standards Development

Andrew Collins
Associate Director, Standards Development