

# SASB

## Sustainability Accounting Standards Board



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## What is SASB?

Sustainability Accounting Standards Board is an independent nonprofit organization that focuses on developing industry-specific sustainability accounting standards. SASB reporting aims to provide standardized reporting guidelines for disclosing financially material sustainability information.

The SASB standards are designed to help companies identify, manage, and report on the sustainability issues most relevant to their specific industry. A wide range of sectors are covered by the standards which provide guidance on disclosing information related to environmental, social, and governance (ESG) factors that are likely to impact a company's financial performance.

The standards enable organizations to focus on the ESG topics that are most material and significant for their industry and provide relevant information to investors, analysts, and other stakeholders. By using these standards, companies can effectively communicate their performance in areas related to climate change, human capital management, resource efficiency, product safety, and community relations.

These Standards are widely recognized and used various stakeholders globally to assess and compare the sustainability performance of organizations within specific sectors. They provide a framework for meaningful and comparable ESG reporting, aiding decision-making processes and promoting transparency and accountability.

PQSmitra Team assists organizations in implementing SASB sustainability reporting requirements, data collection, and report formation in a systematic manner. The methodology includes initial review, planning, implementation, and publishing. PQSmitra Team provide active support and hand-holding for organizations to formulate and publish a comprehensive report.

## Which Organization are eligible for the publishing sustainability report as per SASB standards?

- There is no eligibility criteria for publishing sustainability report as per the SASB standard. As the reporting is voluntary, companies are free to use the standards for their reporting without any restrictions.

## What are the benefits of SASB?

- Increased comparability
- Increased consistency
- Reduced costs
- Improved decision-making
- Enhanced reputation
- Improved risk management
- Increased transparency
- Improved governance

## What is the process for implementing SASB standards?

- The process for implementing SASB standards can vary depending on the company's size, industry, and risk profile. However, there are some general steps that most companies will need to take:
  - **Identify the relevant SASB standards:** The first step is to identify the SASB standards that are relevant to the company's industry. SASB has developed standards for 77 industries.
  - **Assess the company's ESG performance:** Once the relevant SASB standards have been identified, the company needs to assess its ESG performance. This can be done by collecting data on the company's performance on the material ESG issues identified in the SASB standards.
  - **Disclose the company's ESG performance:** The final step is to disclose the company's ESG performance. This can be done in the company's annual report, sustainability report, or other public disclosure document.
- Implementing SASB standards can be a valuable way for companies to improve their ESG disclosure and to demonstrate their commitment to sustainability.

## What data is required for SASB Sustainability reporting?

SASB reporting requires organizations to disclose a wide range of sustainability-related data.

**1. Environmental Data:** This includes information on energy consumption, greenhouse gas emissions, water usage, waste generation and management, air emissions, biodiversity impacts, and other environmental aspects relevant to the organization's operations.

**2. Social Data:** Social data encompasses various aspects of the organization's social performance, such as labor practices and decent work, occupational health and safety, employee diversity and equality, employee training and development, community engagement, human rights, product responsibility, and supply chain management.

**3. Economic Data:** Economic data focuses on the organization's financial performance in relation to sustainability, including revenue, expenditures, investments in sustainable initiatives, economic value generated and distributed, taxes paid, and contributions to local economies.

**4. Governance Data:** Governance data pertains to the organization's governance structure and practices. It includes information on board composition, executive compensation, anti-corruption measures, ethical business conduct, stakeholder engagement, risk management, and adherence to relevant laws and regulations.

**5. Indicators and Metrics:** SASB reporting includes specific performance indicators and metrics that organizations need to report on. These indicators cover various aspects of sustainability and provide quantitative data for measuring performance, such as energy intensity, emissions intensity, waste recycling rates, employee turnover rates, community investment, and others.

The SASB framework offers organizations flexibility in selecting and reporting on sustainability issues based on their context. Data selection is guided by materiality assessments, identifying significant issues for operations and stakeholders. Organizations are encouraged to disclose both positive and negative performance, set improvement targets, and provide narrative explanations and contextual information to enhance transparency and understanding.

## How did the SASB Standards evolve over the years?

- 2011: SASB is founded by Jean Rogers
- 2012: SASB publishes its first set of standards for 10 industries
- 2013: SASB expands its coverage to include 20 more industries
- 2014: SASB publishes its first set of standards for social issues
- 2015: SASB publishes its first set of standards for governance issues
- 2016: SASB expands its coverage to include 40 more industries
- 2017: SASB transitions to a two-tier governance structure
- 2018: SASB publishes its first set of standards for climate change
- 2019: SASB publishes standards for 77 industries
- 2020: SASB announces its merger with the IIRC
- 2021: The VRF is formed and the merger of SASB and the IIRC is completed

## How can companies ensure accurate and reliable data for SASB reporting?

In order to assure that the data is accurate and reliable for SASB reporting, following steps can be followed:

1. Use a standardized approach to data collection and validation: This will help to ensure that the data is collected and validated in a consistent manner.
2. Use a variety of data sources: This will help to ensure that the data is comprehensive and accurate.
3. Involve key stakeholders in the data collection and validation process: This will help to ensure that the data is relevant and useful to stakeholders.
4. Use a data management system to store and track the data: This will help to ensure that the data is accessible and secure.
5. Monitor the data on an ongoing basis: This will help to ensure that the data is accurate and reliable over time.

By following these steps, companies can ensure that the data provided for SASB reporting is accurate and reliable.

## What are the key features of SASB standards?

- The key features of SASB are:
  - 1. Industry-specific:** SASB standards are designed for specific industries, which means that companies in the same industry are required to disclose the same information. This makes it easier for investors to compare the ESG performance of different companies within an industry.
  - 2. Rigorously researched:** SASB standards are based on a rigorous research process that includes input from companies, investors, and other stakeholders. This ensures that the standards are relevant to the needs of investors and that they are based on the latest data and research.
  - 3. Consistent:** SASB standards are reviewed by a panel of experts to ensure that they are consistent and reliable. This helps to ensure that the information disclosed is comparable and can be used to make informed investment decisions.
  - 4. Relevant:** SASB standards focus on sustainability issues that are most material to the financial performance of companies. This means that the information disclosed is most likely to be relevant to investors and other stakeholders.
  - 5. Transparent:** SASB standards are transparent and accessible to the public. This allows investors and other stakeholders to understand the ESG performance of companies and to make informed investment decisions.
- SASB standards offer a number of key features that make them a valuable resource for investors and other stakeholders. By providing comparable, consistent, reliable, and relevant information about ESG performance, SASB standards can help to improve the quality and transparency of corporate disclosures and to make better investment decisions.

## What is the cost of using the SASB standards?

- There is no cost or fees involved in using the SASB standards. SASB, however, provides various membership programmes which are paid services, which cost about \$500 per individual.

## Are there any other similar to SASB standards?

Yes, there are a number of other standards similar to SASB. Some of the most popular alternatives include

**1. GRI Standards:** The Global Reporting Initiative (GRI) is a non-profit organization that develops sustainability reporting standards that are applicable to all organizations, regardless of size or industry. GRI standards are more general than SASB standards, but they cover a wider range of ESG issues.

**2. CDSB Standards:** The Climate Disclosure Standards Board (CDSB) is a non-profit organization that develops climate-specific disclosure standards for companies. CDSB standards are designed to help companies disclose their climate-related risks and opportunities in a consistent and comparable manner.

**3. TCFD Recommendations:** The Task Force on Climate-related Financial Disclosures (TCFD) is an international body that has developed recommendations for climate-related financial disclosures. The TCFD recommendations are not standards, but they are widely used by companies and investors.

**4. IIRC Framework:** The International Integrated Reporting Council (IIRC) is a non-profit organization that develops a framework for integrated reporting. Integrated reporting is a more holistic approach to reporting that combines financial and non-financial information.

**5. The Carbon Disclosure Project:** The Carbon Disclosure Project (CDP) is a non-profit organization that collects climate-related data from companies around the world. CDP's data is used by investors, governments, and other organizations to assess the climate risk of companies.

- These are just a few of the many standards that are available. The best standard for a particular company will depend on a number of factors, including the company's size, industry, and risk profile. It is important to note that no single standard is perfect, and companies may need to use a combination of standards to provide investors with the information they need.

## How will PQSmitra help you with Hassle Free report Preparation & publishing?

PQSmitra adopts a result oriented approach for the effective system implementation at the organization. This simple and practical method of system implementation helps organizations to enhance the business performance and sustainability.

The implementation process is described below:

1. Initial visit and review of the Organization.
2. Review of the relevant SASB Standards.
3. Training on applicable requirements of SASB standards
4. Setting of system for ESG performance.
5. Data collection & Review as per the SASB Standards.
6. Report preparation & index preparation as per the SASB requirement.



## PQSmitra Service Features appreciated by clients



Simple &  
Practical Approach



21 Years of  
Service



2500+  
Successful Projects



5,56,000+  
Consulting Hours

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