



Sustainability Accounting Standards Board

Presentation for the Retail Industry Leaders Association

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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



Introducing the Value Reporting Foundation

SASB and the IIRC are merging

The Value Reporting Foundation

INTEGRATED
REPORTING <IR>



A major advancement towards building a comprehensive and holistic reporting system.

The merger of the IIRC and SASB will:

- **Simplify** the field
- **Globalize** both organizations
- Support the **needs** of investors and other stakeholders
- Focus on reporting as a means to **changing behaviour**
- Achieve **interoperability** with the GRI standards
- Advance the **adoption** of integrated reporting and integrated thinking
- Accelerate **progress** towards a comprehensive corporate reporting system.



Industries Grouped by Resource Intensity & Sustainability Impacts

Sustainable Industry Classification System (SICS®): 77 industries within 11 sectors



Consumer Goods

- Apparel, Accessories & Footwear
- Appliance Manufacturing
- Building Products & Furnishings
- E-Commerce
- Household & Personal Products
- Multiline and Specialty Retailers & Distributors
- Toys & Sporting 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



Financials

- Asset Management & Custody Activities
- Commercial Banks
- Consumer Finance
- Insurance
- Investment Banking & Brokerage
- Mortgage Finance
- Security & Commodity Exchanges



Food & Beverage

- Agricultural Products
- Alcoholic Beverages
- Food Retailers & Distributors
- Meat, Poultry & Dairy
- Non-Alcoholic Beverages
- Processed Foods
- Restaurants
- Tobacco



Health Care

- Biotechnology & Pharmaceuticals
- Drug Retailers
- Health Care Delivery
- Health Care Distributors
- Managed Care
- Medical Equipment & Supplies



Infrastructure

- Electric Utilities & Power Generators
- Engineering & Construction Services
- Gas Utilities & Distributors
- Home Builders
- Real Estate
- Real Estate Services
- Waste Management
- Water Utilities & Services



Renewable Resources & Alternative Energy

- Biofuels
- Forestry Management
- Fuel Cells & Industrial Batteries
- Pulp & Paper Products
- Solar Technology & Project Developers
- Wind Technology & Project Developers



Resource Transformation

- Aerospace & Defense
- Chemicals
- Containers & Packaging
- Electrical & Electronic Equipment
- Industrial Machinery & Goods



Services

- Advertising & Marketing
- Casinos & Gaming
- Education
- Hotels & Lodging
- Leisure Facilities
- Media & Entertainment
- Professional & Commercial Services



Technology & Communications

- Electronic Manufacturing Services & Original Design Manufacturing
- Hardware
- Internet Media & Services
- Semiconductors
- Software & IT Services
- Telecommunication Services



Transportation

- Air Freight & Logistics
- Airlines
- Auto Parts
- Automobiles
- Car Rental & Leasing
- Cruise Lines
- Marine Transportation
- Rail Transportation
- Road Transportation

Where do You Fit in SASB's Industry Classification? Today's Attendees:

Company	Industry
3M	Chemicals
Abercrombie & Fitch Co.	Apparel, Accessories & Footwear
Advance Auto Parts	Multiline and Specialty Retailers & Distributors
American Eagle Outfitters	Apparel, Accessories & Footwear
AutoZone, Inc	Multiline and Specialty Retailers & Distributors
Big Lots	Multiline and Specialty Retailers & Distributors
Burlington Stores	Multiline and Specialty Retailers & Distributors
Canadian Tire	Multiline and Specialty Retailers & Distributors
CarMax	Multiline and Specialty Retailers & Distributors
Carter's, Inc.	Apparel, Accessories & Footwear
Columbia Sportswear Company	Apparel, Accessories & Footwear
Costco	Multiline and Specialty Retailers & Distributors
CVS Health	Drug Retailers
Designer Brands Inc.	Apparel, Accessories & Footwear
DICK'S Sporting Goods	Multiline and Specialty Retailers & Distributors
Dollar General	Multiline and Specialty Retailers & Distributors
Energizer Holdings	Household & Personal Products
Finish Line	na
Five Below, Inc.	Multiline and Specialty Retailers & Distributors
Foot Locker	Apparel, Accessories & Footwear
Gap Inc.	Apparel, Accessories & Footwear
Hibbett Sporting Goods, Inc.	Multiline and Specialty Retailers & Distributors
J.Crew	na
JCPenney	Multiline and Specialty Retailers & Distributors

Company	Industry
Kohl's	Multiline and Specialty Retailers & Distributors
Levi Strauss & Co.	Apparel, Accessories & Footwear
Lowe's	Multiline and Specialty Retailers & Distributors
Macy's, Inc.	Multiline and Specialty Retailers & Distributors
Meijer	na
Michaels	Multiline and Specialty Retailers & Distributors
Neiman Marcus Group	Multiline and Specialty Retailers & Distributors
Nordstrom	Multiline and Specialty Retailers & Distributors
Petco	Multiline and Specialty Retailers & Distributors
PetSmart	na
Qurate Retail Group	E-commerce
REI	Multiline and Specialty Retailers & Distributors
Rite Aid	Drug Retailers
Sherwin-Williams	Chemicals
Signet Jewelers	Apparel, Accessories & Footwear
Starbucks	Restaurants
Target	Multiline and Specialty Retailers & Distributors
The Home Depot	Multiline and Specialty Retailers & Distributors
The Kroger Co	Food Retailers & Distributors
Tractor Supply Company	Multiline and Specialty Retailers & Distributors
Under Armour	Apparel, Accessories & Footwear
Ulta Beauty	Multiline and Specialty Retailers & Distributors
VF Corporation	Apparel, Accessories & Footwear
Walgreens	Drug Retailers

A Starting Point: Five Broad Dimensions of Sustainability

SASB's research begins with a universe of ESG issues, then applies the industry lens

Environment

- GHG Emissions
- Air Quality
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts

Leadership & Governance

- Business Ethics
- Competitive Behavior
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management



Business Model & Innovation

- Product Design & Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

Social Capital

- Human Rights & Community Relations
- Customer Privacy
- Data Security
- Access & Affordability
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labeling

Human Capital

- Labor Practices
- Employee Health & Safety
- Employee Engagement, Diversity & Inclusion

Sustainability Issues Are Different Across Industries



SASB Materiality Map®

SASB's Materiality Map® identifies sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry. In the left-hand column, SASB identifies 26 sustainability-related business issues, or General Issue Categories, which encompass a range of Disclosure Topics and their associated Accounting Metrics that vary by industry. For example, the General Issue Category of Customer Welfare encompasses both the Health and Nutrition topic in the Processed Foods industry and the Counterfeit Drugs topic in the Health Care Distributors industry. For commercial use terms of the SASB Materiality Map®, [please contact us](#).

The SASB Materiality Map® does not contain all guidance necessary for use of the standards. [To download the SASB standards, click here](#).

マテリアリティマップの日本語版をご覧になるには、[ここをクリックしてください](#) To see a version of the Materiality Map in Japanese, please [click here](#).

Sector Level Map

- Issue is likely to be material for more than 50% of industries in sector
- Issue is likely to be material for fewer than 50% of industries in sector
- Issue is not likely to be material for any of the industries in sector

Industry Level Map

- Not likely a material issue for companies in the industry
- Likely a material issue for companies in the industry

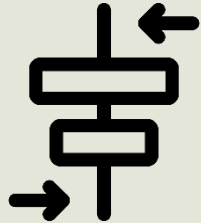
		Consumer Goods	Extractives & Minerals Processing	Financials	Food & Beverage	Health Care	Infrastructure	Renewable Resources & Alternative Energy	Resource Transformation	Services	Technology & Communications	Transportation	
Dimension	General Issue Category ¹	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	
Environment	GHG Emissions		■		■							■	
	Air Quality		■									■	
	Energy Management	■	■							■		■	
	Water & Wastewater Management	■	■							■		■	
	Waste & Hazardous Materials Management		■									■	
	Ecological Impacts		■							■		■	
Social Capital	Human Rights & Community Relations					■							
	Customer Privacy	■		■							■		
	Data Security	■		■							■		
	Access & Affordability			■		■	■						
	Product Quality & Safety	■			■	■			■	■			
	Customer Welfare				■	■							
Human Capital	Selling Practices & Product Labeling			■	■								
	Labor Practices	■			■		■				■	■	
	Employee Health & Safety		■					■				■	
	Employee Engagement, Diversity & Inclusion	■		■							■		
	Business Model & Innovation	Product Design & Lifecycle Management	■		■	■			■	■		■	■
		Business Model Resilience	■					■					
Supply Chain Management		■			■	■						■	
Materials Sourcing & Efficiency		■						■	■			■	
Physical Impacts of Climate Change				■		■				■			
Leadership & Governance		Business Ethics		■	■		■			■	■		■
	Competitive Behavior		■							■	■	■	
	Management of the Legal & Regulatory Environment							■	■				
	Critical Incident Risk Management		■				■	■				■	
	Systemic Risk Management			■			■	■			■	■	

Efficient and Cost-Effective for Companies

SASB provides a cost-effective way to report on financially material ESG topics



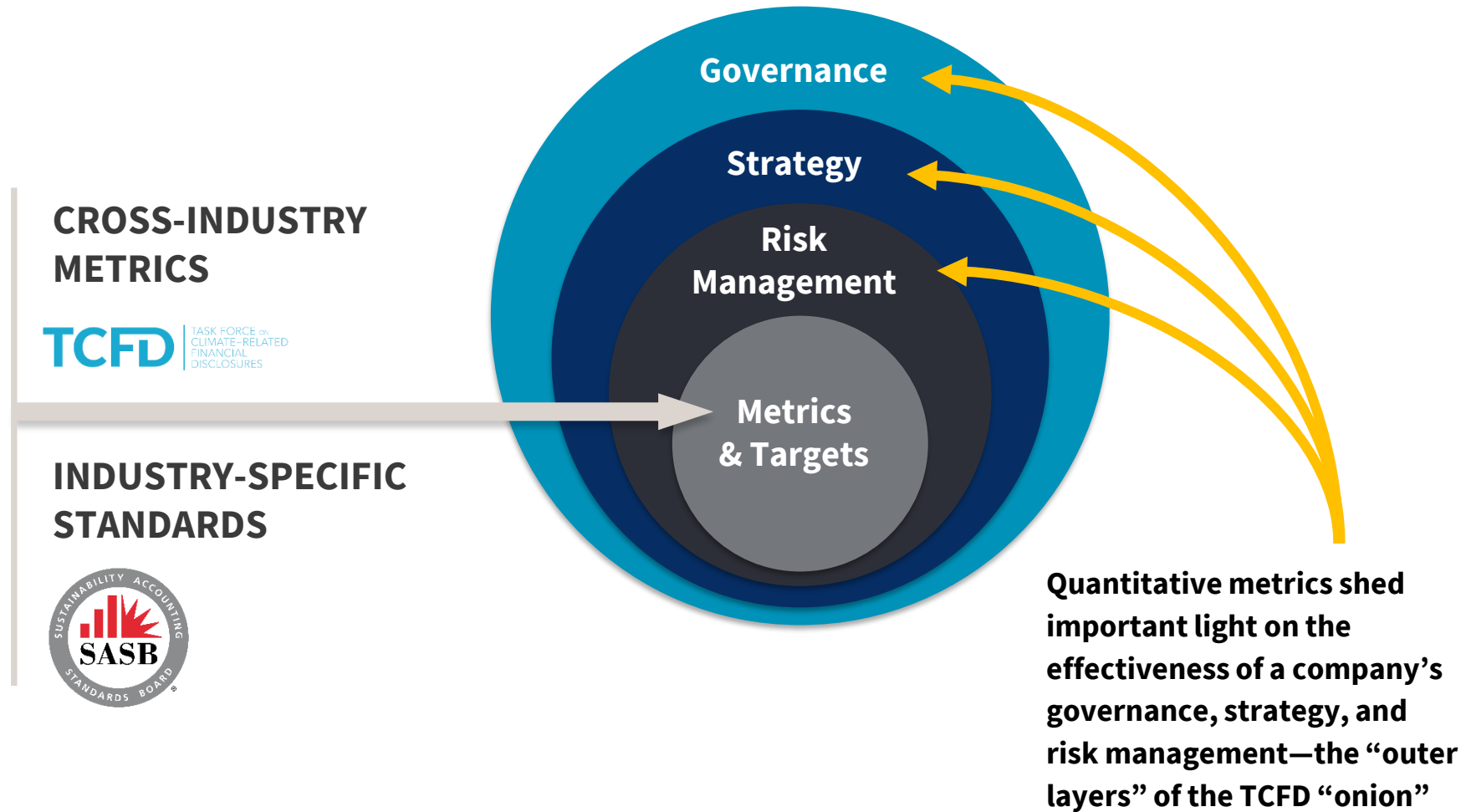
SASB standards average 6 topics and 13 metrics (74 percent quantitative) per industry



SASB metrics are aligned with more than 200 existing frameworks, regulations, and certifications

SASB and TCFD Enable Robust Climate-Related Reporting

Industry-specific standards provide actionable information on climate risk



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



Investor Support & Corporate Adoption

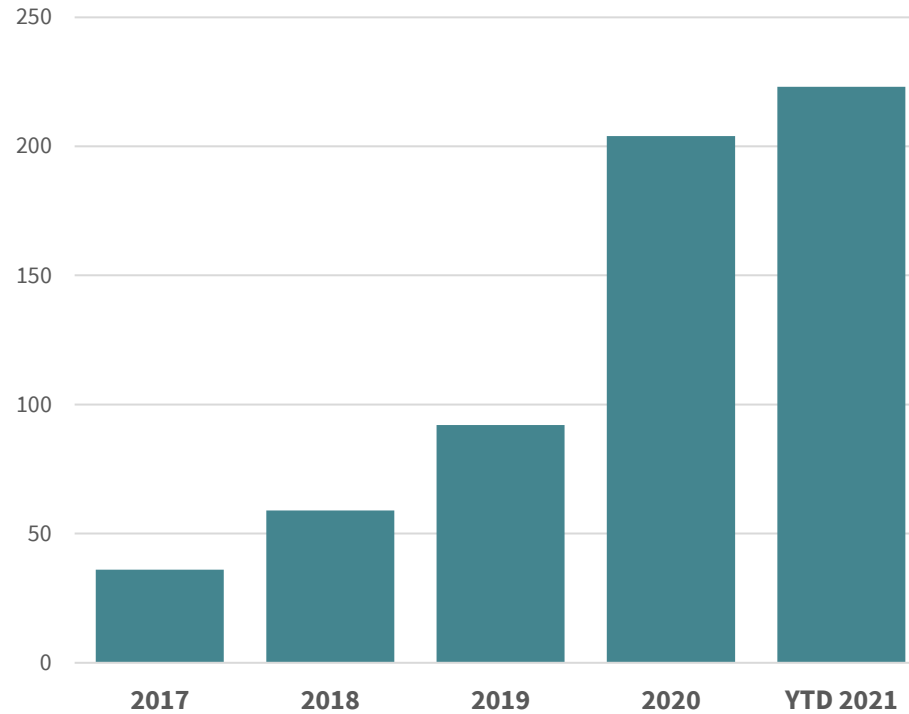


Momentum: International Investor Support for SASB Standards

Dramatic increase in investors around the world using and licensing the SASB standards, representing \$71T+ in AUM

Investor Supporters

of SASB Alliance/Investor Advisory Group Members and Licensees



**223 firms
in
22 countries
with
\$71T+ AUM**

# of Countries Represented	2017	2018	2019	2020	YTD 2021
	6	9	14	21	22

Updated April 2021



The Heart of >200 SASB Alliance Members: SASB Investor Advisory Group (IAG)

SASB's IAG has 58 members from 12 countries with more than \$48 trillion in AUM

Asset Owners

Asset Managers

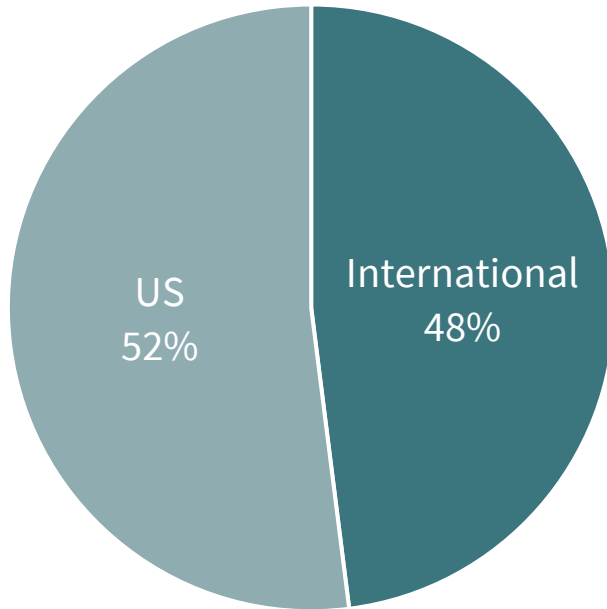


Now More Than 920 SASB Reporters World-wide – as of end of April, 2021

More than half of the S&P 500 and one third of the S&P Global 1200 are reporters

Examples:

Current SASB Reporters



Complete list: <https://www.sasb.org/company-use/>



Corporate Adoption of SASB Standards in the U.S.



Source: 'Telling all: Regulators want firms to own up to climate risks'. The Economist, March 13, 2021 edition

The Economist



Companies Reporting with SASB Standards

Hundreds of companies around the world and across every sector are using SASB Standards to communicate financially material sustainability information to investors. The list below provides a diversity of examples. Click a company's name to view its report. (These links are provided as a convenience and for informational purposes only.)

Reporting with SASB or planning to but don't see your company here? [Let us know!](#)

SASB reporters section of our site is now searchable by country, industry, and other parameters



Industry	Sector	Country	Type of ...	Publicat...	Sort by	Search
Company name	Industry	Sector	Country	Type of Document	Publication Year	
ABM Industries Inc →	Professional & Commercial Services	Services	United States	Corporate Responsibility Reports	2020	
Acer Inc →	Hardware	Technology & Communications	Taiwan	Corporate Responsibility Reports	2020	
Acuity Brands Inc →	Electrical & Electronic Equipment	Resource Transformation	United States	Corporate Responsibility Reports	2020	
Adecoagro SA →	Agricultural Products	Food & Beverage	Argentina	Corporate Responsibility Reports	2020	
Adobe Inc →	Software & IT Services	Technology & Communications	United States	Corporate Responsibility Reports	2020	
Adobe Inc →	Software & IT Services	Technology & Communications	United States	Corporate Responsibility Reports	2019	
Aecon Group Inc →	Engineering & Construction Services	Infrastructure	Canada	Corporate Responsibility Reports	2020	
Aflac Inc →	Insurance	Financials	United States	Corporate Responsibility Reports	2020	
Agios Pharmaceuticals Inc →	Biotechnology & Pharmaceuticals	Health Care	United States	Corporate Responsibility Reports	2020	
AGL Energy Ltd →	Electric Utilities & Power Generators	Infrastructure	Australia	Annual Reports	2020	

Current SASB Reporters in Key Industries



Apparel, Accessories & Footwear Industry



Multiline and Specialty Retailers & Distributors Industry

Capri Holdings Ltd (UK)	Link
Columbia Sportswear Co	Link
Deckers Outdoor Corp	Link
Foot Locker	Link
Gap Inc/The	Link
Hanesbrands Inc	Link
Lojas Renner SA (Brazil)	Link
NIKE Inc	Link
PVH Corp	Link
Ralph Lauren Corp	Link
VF Corporation	Link

ACCO Brands Corp	Link
ASBISc Enterprises PLC	Link
Best Buy Co Inc	Link
Burlington Stores Inc	Link
Genuine Parts Co	Link
Home Depot Inc/The	Link
Lithia Motors Inc	Link
LKQ Corp	Link
Lowe's Cos Inc	Link
Macy's Inc	Link

Nordstrom Inc	Link
SiteOne Landscape Supply Inc	Link
Super Retail Group Ltd	Link
Target Corp	Link
Tractor Supply Co	Link
Ulta Beauty Inc	Link
Walmart Inc	Link
Williams-Sonoma Inc	Link
WW Grainger Inc	Link
ZAGG Inc	Link

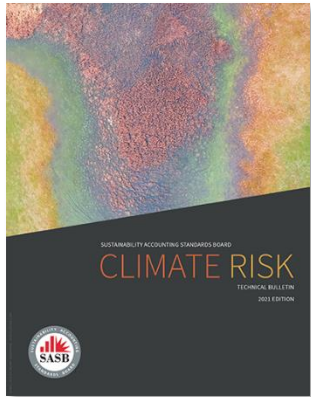


Research Update



SASB Evolves Alongside the Markets

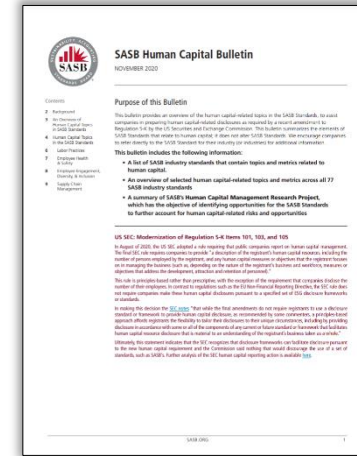
New SASB Guidance



<https://www.sasb.org/knowledge-hub/climate-risk-technical-bulletin/>

Climate Risk Technical Bulletin

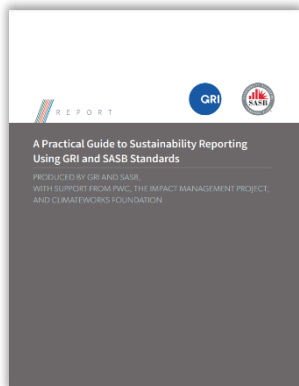
- **Climate-related financial risks and opportunities for nearly every company in nearly every industry.**
- Full table of SASB's **climate-related metrics and associated risks across 77 industries**
- Broken down by **climate risk type** (physical, transition, regulatory)



<https://www.sasb.org/knowledge-hub/sasb-human-capital-bulletin/>

Human Capital Management Bulletin

- A list of SASB industry standards that **contain topics and metrics related to human capital**
- An overview of selected **human capital-related topics and metrics across all 77 SASB industry standards**
- A summary of **SASB's Human Capital Management Research Project**



<https://www.sasb.org/knowledge-hub/practical-guide-to-sustainability-reporting-using-gri-and-sasb-standards/>

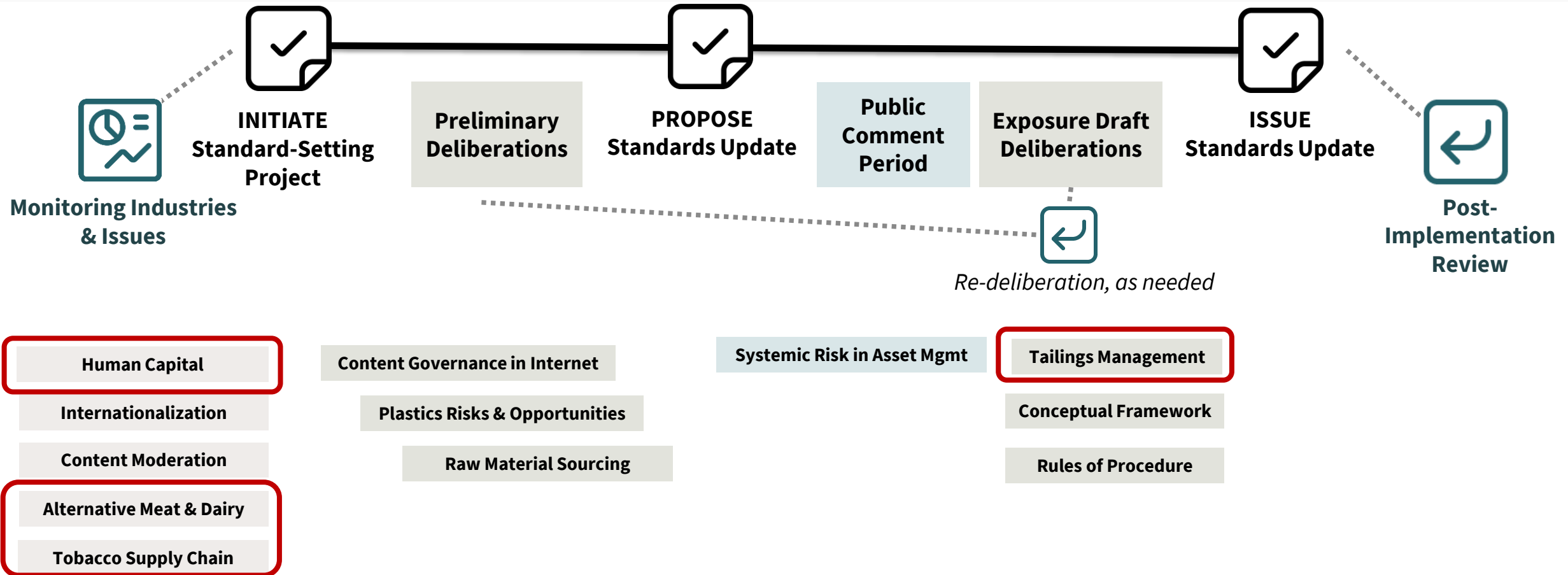
Practical Guide to SASB and GRI Reporting

- **Differences between SASB and GRI**
 - Materiality
 - Scope of disclosure
 - Audience and stakeholder interests
 - Standard-setting process
- Case studies: **GM, Diageo, Suncor, CDL**



Project Pipeline Overview


Multiple standard-setting projects progressing towards exposure draft/public comment periods; several active research projects in the pre-agenda research & consultation phase



Commitment to Market Feedback, Transparency, and Engagement


Significant advancements in 2020 to solicit market feedback on the Standards

Example:




General Feedback

We welcome unsolicited input on the Standards at any point. Feedback can be provided through a variety of channels, such as email, phone discussions, and written comment letters. Complete the [General Feedback Form](#) below to begin the process.




Consultation

Technical staff regularly conducts consultation with stakeholders on an ongoing basis. Consultations support our efforts around identifying projects and guiding research throughout a project lifecycle. Review the active projects below to identify the current consultation opportunities.



Comment Periods

Comment periods allow for a more formal, structured point of engagement with stakeholders. Public comments are a key input that the Standards Board considers when voting whether to approve the proposed new or amended standards. Review the active projects below to identify the public comment opportunities.



Advisory and Working Groups

SASB will form standing and temporary Advisory Groups consisting of external advisors, such as corporates, industry members, investors, financial analysts, and other professionals, to provide advice on specific aspects of sectors, industries, and topics, including metrics and technical protocols.

< Active Projects

Standard-Setting
SHARE: [✉](#) [f](#) [t](#) [in](#)

Content Governance in the Internet Media & Services Industry

Last Update 03/16/21

Sector	Issues	Project Status	Feedback Requested
Technology & Communications	Content Moderation	Stakeholder Consultation 1 - 2 - 3 - 4 - 5 - 6 - 7	Stakeholder Consultation - see Supplemental Materials

Project Overview

Project Objective

This project will evaluate the financial impacts on companies, and the management activities used by companies, related to harmful online content and user freedom of expression in the Internet Media & Services industry.

Project Background

Based on the the research conducted during the Content Moderation research project, the Board approved a separate standard-setting project in the Internet Media & Services industry.

The Internet Media & Services Industry Standard does not currently address the financial impacts of harmful online

How to get involved with this project

Subscribe to Updates
Receive regular email updates on this project

[Subscribe](#) →

Get in Touch
Contact to discuss this project with Greg Waters, Sector Analyst - Technology & Communications

[Email](#) →

VISIT

sasb.org/standards/process/active-projects/

Human Capital: Prioritization for Forward Workstreams

Priority	Theme Prioritization in Future Standard-Setting Activities
1	Workplace Culture
	Industry-Agnostic Human Capital Information
2	Labor Conditions in the Supply Chain
3	Workforce Investment
4	Worker Wellbeing
--	Alternative Workforce

Tranche 1a—One of Two Top Priorities—Centered on Diversity, Inclusion & Engagement

Priority	Tranche	Tranche Description	Rationale
1a	Workplace Culture	Addresses diversity, inclusion, and engagement	<ul style="list-style-type: none">• Strong investor interest that indicates the broad financial relevance of the issue• Clear channels of financial impacts dependent on industry/business model• Clear, mission-aligned opportunities to improve the Standards to better account for the issue, including the consistency in which it is evaluated across the Standards

Tranche 1b Centers on Broadly Applicable, Fundamental Principles of Human Capital

Priority	Tranche	Tranche Description	Rationale
1b	Industry Agnostic Human Capital Information	<p>Evaluate range of possible solutions to broadly-applicable, fundamental human capital informational needs</p> <p>Outcomes may include: guidance, a technical bulletin, activity metric project, or a standard</p>	<ul style="list-style-type: none"> • Strong investor demand for broadly applicable, fundamental human capital information that is comparable across the market • Workstream centers on broadly applicable concepts, principles, or measurements where industry-specificity may not be necessary to maximize our decision-useful information objective • Fundamental workforce composition information may serve as a starting point but is likely insufficient on its own • This workstream does not alter the overall importance of industry-specificity in generating decision-useful information for investors—including how the Board and staff regularly evaluate tradeoffs between industry-specificity versus broad comparability throughout standard setting—rather, the workstream acknowledges the staff view that certain human capital concepts broadly apply across the market and may be best approached in an industry-agnostic manner

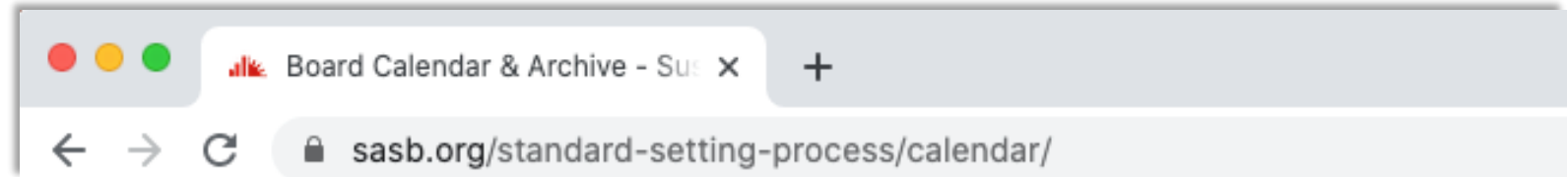


2021 Standards Board Meetings*

July 7th & 8th

**September 30th &
October 1st**

December TBD



[Standards Board Meeting Calendar & Archive](#) page contains full details of meeting dates and registration links to access live stream of the public meetings. Recordings and a summary of meeting outcomes are available shortly after each meeting.

We welcome you to visit our [Contact Us](#) page to subscribe for standards-related updates.

Please use our [Public Comment Form](#) to provide feedback on the standards.

Dates are tentative. Public Standards Board meetings are announced a minimum of 10 days prior to the meeting date.



Regulatory Update



SASB's Views on SEC Action Over ESG Disclosure

- The SEC can effectively achieve high-quality climate related disclosure by **leveraging previous work and existing expertise.**
- The SEC may rely on **third-party, market-led standards that meet certain key criteria:** agreed upon by companies, investors, and other market participants, and can flexibly adapt to market circumstances without the need for continuous rulemaking.
- Disclosure requirements should include **industry-specific data focused on enterprise value,** which is **cost-effective and efficient** for companies to gather, manage, assure and report
- Leading indicators that **focus on the direct, industry-specific levers available to a company** provide actionable data to management and decision-useful information to investors
- **The SEC should coordinate globally** with the coming SSB under the IFRS Foundation to **enhance global comparability and reduce complexity** for reporting companies and investors.



<https://www.sasb.org/blog/sasb-supports-sec-action-to-promote-decision-useful-esg-disclosure/>

https://www.sasb.org/wp-content/uploads/2021/05/SASB_SEC_Climate_Letter_2021-05-19_FINAL.pdf





Implementation Best Practices



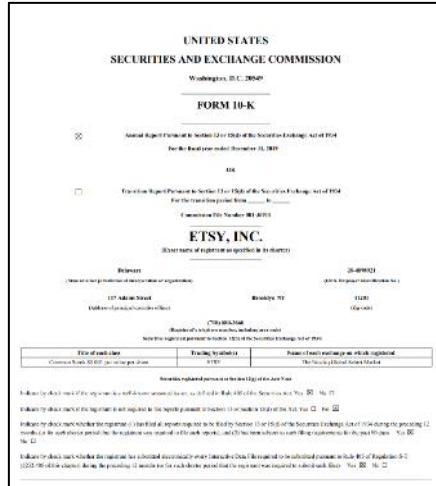
Reporting Channel is Determined by the Reporting Company

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

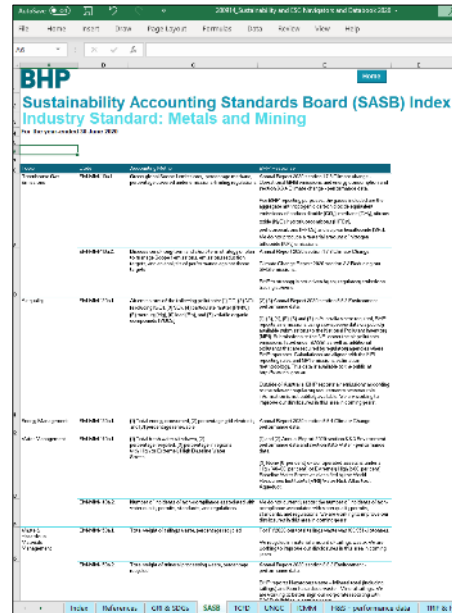
Standalone SASB Report



Regulatory Filing



Data Table



Integrated Report



SASB Index




sasb.org/company-use/sasb-reporters/



SASB Reporters: Most Common Use Case

SASB table in a sustainability report or standalone

Sustainability Accounting Standards Board 

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference
<i>SASB Standard - Apparel, Accessories and Footwear</i>						
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	CG-AA-250a.1		FY20 Report: Chemistry (Measure: 100% Compliance with NIKE PSL), page 58 FY20 Report: 2025 Chemistry Target, pages 98-99 Approach to Chemistry Chemistry Playbook
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA-250a.2		FY20 Report: Chemistry
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	In FY20, 98% of Tier 1 supplier facilities met legal compliance with wastewater discharge permits and/or contractual agreement	
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	100% of Tier 1 supplier facilities audited to our Code of Conduct which includes environmental compliance. Our Tier 1 goods suppliers also report on a monthly basis the against NIKE Sustainability targets. Suppliers beyond producing approx our footwear upper textile materials, the 2019 Higg FEM. Our focus materials also report on a monthly basis their performance against Sustainability targets. We disclose a narrative on our strategic materials (2) in our Manufacturing along with finishes goods factories.	

ABOUT PVH LEADERSHIP MESSAGES STRATEGY & HIGHLIGHTS PRIOR

Sustainability Accounting Standards

The Sustainability Accounting Standards Board (SASB) is an independent, private sector standards-setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. This table references the Standard for the Apparel, Accessories & Footwear industry as defined by SASB's Sustainable Industry Classification System (SICS) with the location of that information in Gap Inc.'s Global Sustainability Report (GSR) and [gapsustainability.com](#).

Topic	Accounting Metric	Code
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-430a.1
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-430a.2
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2

SASB Reference Table

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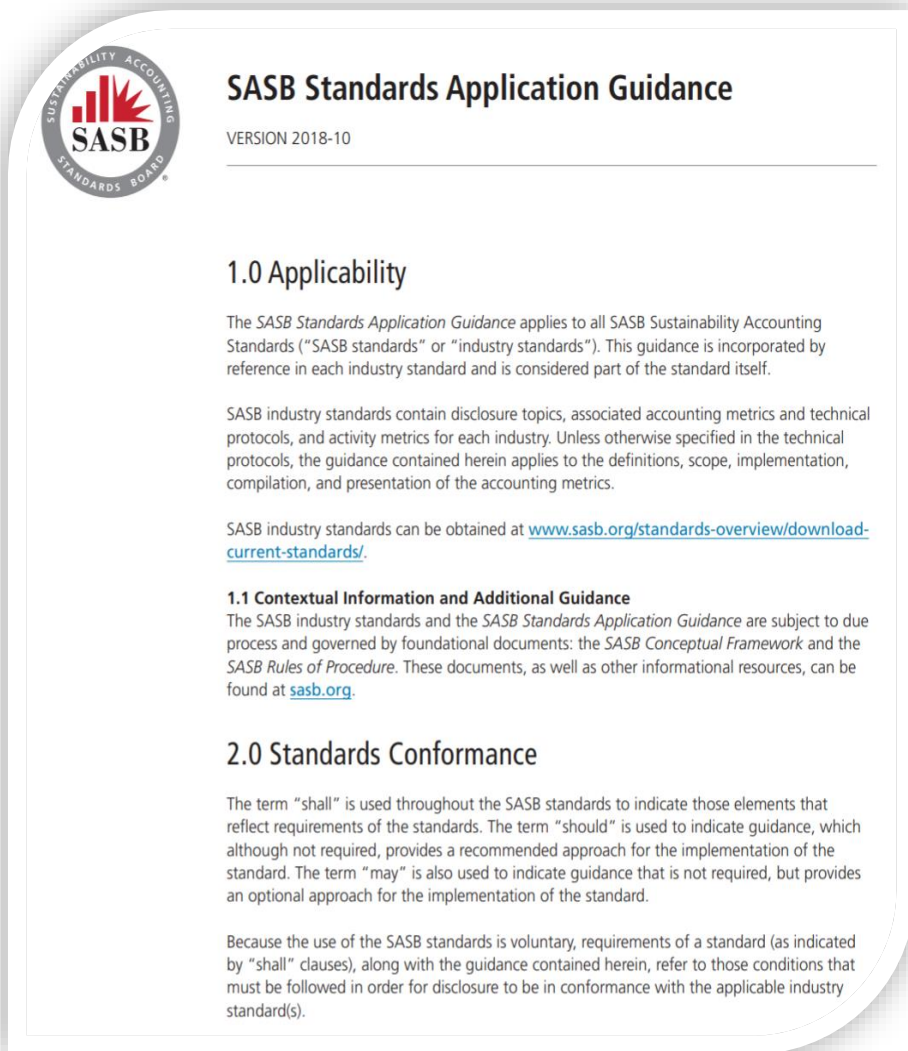
Topic	Activity Metric	Category	Unit of Measure	Code	Data	Reference
Management of Chemicals in Product	Description of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1		» Social: Supply Chain GSR: Assessment + Remediation (p.33) GSR: Mill Sustainability Program (p.54)
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-AA-250a.2		» Environment: Chemicals GSR: Chemicals Management (p.56)
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	Quantitative	Percentage (%)	CG-AA-430a.1	100% of Tier 1 supplier denim laundries are expected to have wastewater meeting or exceeding legal requirements, in accordance with our Water Quality Program (WQP). In 2018, we enhanced the program by adopting Zero Discharge of Hazardous Chemicals (ZDHC) Wastewater Guidelines as WQP requirements for wastewater sampling and testing: 48 denim laundries participated, with 87.5% of facilities meeting conventional parameters and 79.2% of facilities meeting ZDHC parameters. Supplier Facilities beyond Tier 1 • N/A Through strategic partnerships with the Sustainable Apparel Coalition (SAC) and Zero Discharge of Hazardous Chemicals (ZDHC), we expect strategic Gap Inc.-approved mill facilities to report compliance with wastewater-discharge permits and ZDHC Wastewater Guidelines.	» Environment: Mills + Laundries GSR: Water Stewardship Strategy (p.47) GSR: Resource Efficiency + Manufacturing (p.52) GSR: Chemicals Management (p.56)
	As of 2/1/2020 (FY'19), we sourced from 737 Tier 1 branded-apparel supplier facilities, defined as direct-relationship cut-and-sew facilities and their associated embroidery, laundry and screen-printing facilities. We have mapped out 191 mill facilities that represent about 75% of our business in 2019.	Quantitative	Number		CG-AA-000.A	

Gap Inc.

sasb.org/company-use/sasb-reporters/



The Standards Application Guidance



This document answers questions like:

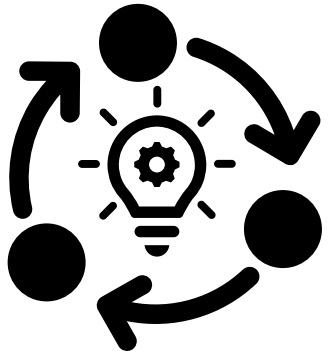
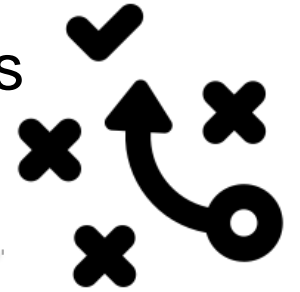
- How does my company conform with the SASB standards?
- Can my company omit or modify a metric/topic?
- Can I use estimations when compiling the SASB metrics?
- A law referenced in the standard has changed since its codification; how should I proceed?
- The information requested in the standards does not provide an investor with sufficient context to understand my company's sustainability disclosure; can I include supplemental information?

What is “narrative description”?



A. Governance around risks and opportunities

B. Strategic approach to actual and potential impacts of topic-related risks and opportunities over time



C. Process to identify, assess and manage topic-related risks and overall risk management process

D. Use of metrics and targets to assess and manage topic-related risks and opportunities



Download Your Industry Standard(s)

Example: Apparel, Accessories & Footwear Industry Standard



The SASB Industry Standards

SASB's 77 industry-specific standards can be downloaded at <https://www.sasb.org/standards/download/>



Apparel, Accessories &
Footwear Industry

SASB Sustainability Disclosure Topics

Management of Chemicals in Products

Environmental Impacts of the Supply Chain

Labor Conditions in the Supply Chain

Raw Materials Sourcing



Multiline and Specialty Retailers
& Distributors Industry

SASB Sustainability Disclosure Topics

Energy Management in Retail & Distribution

Data Security

Labor Practices

Workforce Diversity & Inclusion

Product Sourcing, Packaging & Marketing

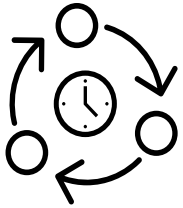
Resources for Navigating SASB Disclosure

The Implementation Primer - <https://www.sasb.org/implementation-primer/>

The screenshot displays the 'Implementation Primer' section of the SASB Standards Application Guidance. The document is titled 'SASB Standards Application Guidance' and is version 2018. The main heading is 'Implementation Primer'. The 'Overview' section states that the Sustainability Accounting Standards Board (SASB) offers this primer as a reference document for companies integrating SASB standards into their core communications with investors. A note mentions that the primer is also available in French, German, Japanese, and Spanish. The 'Key Considerations for Implementing SASB Standards' section features a horizontal bar with six icons and corresponding steps: 'Establish a foundation', 'Choose the right tools for the job', 'Decide where to disclose', 'Understand SASB standards', 'Assess your readiness', 'Develop your disclosures', and 'Enable continuous improvement'. Below this, the first step is detailed: 'Establish a foundation', which involves integrating sustainability into existing processes like governance and strategic planning. The second step, 'Choose the right tools for the job', emphasizes identifying key audiences and understanding their needs. The third step, 'Decide where to disclose', discusses various communication channels like annual reports and investor relations websites.



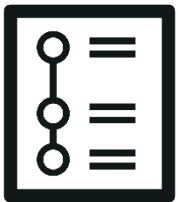
Best Practices According to Investors



1. Quantitative and qualitative metrics measured consistently over time



2. SASB metrics supplemented by appropriate context (i.e., narrative description) to provide a complete picture of performance



3. An explanation accompanying any omitted or modified SASB metric/topic



4. Organized disclosure that is easily accessible to investors via existing reporting channels the company uses to communicate with its shareholders



**Accounting for a
Sustainable Future**