

Sustainability Accounting Standards Board



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Introduction

About the Author

This section has yet to be written.

The Sustainability Accounting Standards Board (sasb) is an independent organization that was established to develop and maintain industry-specific standards for disclosing sustainability information that is financially material. Its goal is to help businesses provide clear, consistent, and comparable data to investors regarding the environmental, social, and governance (esg) factors that are most likely to impact financial performance. By focusing on materiality, SASB has carved a distinctive role in the broader landscape of sustainability reporting.

SASB was founded in 2011, during a period when demand for greater corporate transparency around non-financial risks was rising. Traditional financial statements often failed to capture the long-term risks and opportunities posed by sustainability-related factors. Investors and regulators began seeking more rigorous and standardized ways to evaluate how companies were managing these issues. SASB responded by developing standards that are tailored to the unique characteristics of each industry. The organization identified 77 industries across 11 sectors, with each industry having a specific set of disclosure topics and associated metrics.

One of the central ideas behind SASB's approach is that sustainability issues are not one-size-fits-all. For instance, water management may be material for beverage companies and semiconductor manufacturers but largely immaterial for software firms. Similarly, data security and privacy may be key considerations for financial institutions and technology companies but less so for heavy manufacturing. By aligning sustainability reporting with industry-specific priorities, SASB standards help companies focus on disclosing the ESG factors most relevant to their business, while allowing investors to make more informed comparisons across companies in the same sector.

SASB's standards are designed to be used by public companies in their regulatory filings, such as Form 10-K in the United States, although adoption has been voluntary. The standards emphasize metrics that are quantitative, verifiable, and capable of integration with financial analysis. In this way, SASB contributes to the goal of embedding ESG considerations into mainstream financial reporting, rather than treating them as a separate or peripheral concern.

While SASB initially operated as a standalone entity, it became part of the Value Reporting Foundation in 2021, following a merger with the International Integrated Reporting Council (iirc). This move was aimed at streamlining the landscape of sustainability reporting and aligning frameworks for global use. In 2022, the Value Reporting Foundation was consolidated into the International Financial Reporting Standards (ifrs) Foundation, which now oversees SASB standards through its International Sustainability Standards Board (issb). Despite these organizational changes, SASB's original work remains foundational, particularly for companies seeking to align with investor expectations in a rapidly evolving regulatory environment.

SASB's influence is seen in the growing number of companies that use its standards to guide ESG disclosure. As sustainability concerns increasingly affect market behavior, from climate change and supply chain risks to human capital and data governance, SASB's focus on materiality ensures that businesses and investors alike stay attuned to what matters most for long-term value creation. Through this lens, SASB plays a critical role in shaping how sustainability information is gathered, communicated, and used in capital markets.

Appendix

Glossary of Terms, Abbreviations, and Acronyms

Sustainability Accounting Standards Board

An independent organization that was established to develop and maintain industry-specific standards for disclosing sustainability information that is financially material.

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