



**SASB
STANDARDS**

Now part of IFRS Foundation

Security & Commodity Exchanges

Sustainability Accounting Standard

FINANCIALS SECTOR

Sustainable Industry Classification System® (SICS®) FN-EX

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



IFRS®
Sustainability

sasb.org

ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

Table of Contents

INTRODUCTION..... 4

 Overview of SASB Standards..... 4

 Use of the Standards 5

 Industry Description 5

Sustainability Disclosure Topics & Metrics..... 6

 Promoting Transparent & Efficient Capital Markets 8

 Managing Conflicts of Interest 12

 Managing Business Continuity & Technology Risks 14

INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards (“SASB Standards” or “Industry Standards”), categorised pursuant to the [Sustainable Industry Classification System® \(SICS®\)](#).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.
2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.
3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity’s performance for a specific disclosure topic.
4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.
5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the [SASB Standards Application Guidance](#) establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the [SASB Conceptual Framework](#) set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in [SICS[®]](#). However, companies with substantial business in multiple SICS[®] industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Security and commodity exchanges operate marketplaces in which financial securities, commodities or other financial instruments are traded, in the form of physical trading floors or electronic platforms. Entities in the industry primarily generate revenue from fees for listing services or trades and for clearing market transactions. Competition for fees continues to increase with the advent of alternative trading platforms that offer less expensive trades and provide listings. Trends in financial regulations around the world suggest a greater focus on transparency, risk management and market stability. As new policies and market transformations encourage more responsible social capital management and better governance, entities that can manage all forms of capital—not just financial capital—may be better placed to protect shareholder value.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Promoting Transparent & Efficient Capital Markets	(1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility	Quantitative	Number, Minutes	FN-EX-410a.1
	Percentage of trades generated from automated trading systems ¹	Quantitative	Percentage (%)	FN-EX-410a.2
	Description of alert policy regarding timing and nature of public release of information	Discussion and Analysis	n/a	FN-EX-410a.3
	Description of policy to encourage or require listed entities to publicly disclose environmental, social, and governance (ESG) information	Discussion and Analysis	n/a	FN-EX-410a.4
Managing Conflicts of Interest	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations ²	Quantitative	Presentation currency	FN-EX-510a.1
	Discussion of processes for identifying and assessing conflicts of interest	Discussion and Analysis	n/a	FN-EX-510a.2
Managing Business Continuity & Technology Risks	(1) Number of significant market disruptions and (2) duration of downtime ³	Quantitative	Number, Hours (h)	FN-EX-550a.1
	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected ⁴	Quantitative	Number, Percentage (%)	FN-EX-550a.2
	Description of efforts to prevent technology errors, security breaches, and market disruptions	Discussion and Analysis	n/a	FN-EX-550a.3

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Average daily number of trades executed, by product or asset class	Quantitative	Number	FN-EX-000.A

continued...

- ¹ Note to **FN-EX-410a.2** – The entity shall discuss risks and opportunities (both short- and long-term) associated with automated trading systems including algorithmic or high-frequency trading.
- ² Note to **FN-EX-510a.1** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.
- ³ Note to **FN-EX-550a.1** – For each disruption, the entity shall describe the root cause, type and extent of the disruption and any corrective actions implemented in response.
- ⁴ Note to **FN-EX-550a.2** – The disclosure shall include a description of corrective actions implemented in response to data breaches.

...continued

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Average daily volume traded, by product or asset class	Quantitative	Presentation currency	FN-EX-000.B

Promoting Transparent & Efficient Capital Markets

Topic Summary

Security and commodity exchanges have a responsibility to ensure equal access to capital markets for all investors. As public markets, these entities help ensure efficient capital allocation and equal application of rules for all participants. Entities must also manage the release of public data to prevent information asymmetries. The advent of new technologies such as high-frequency trading may give some traders an advantage at the expense of others. Information asymmetries allowing for unfair arbitrage may result in litigation, regulatory penalties, additional regulatory oversight and increased compliance costs, as well as reputational damage that may reduce trading volumes and associated revenues. Disclosure of policies relating to information releases, trading halts and the risks and opportunities associated with algorithmic or high-frequency trading may permit investors to understand more clearly how security and commodity exchanges protect shareholder value.

Metrics

FN-EX-410a.1. (1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility

- 1 The entity shall disclose the (1) number and (2) average duration in minutes of (a) halts related to public release of information and (b) pauses related to volatility.
- 2 Trading halts are defined as temporary market trading suspensions of a security by the entity for reasons which may include anticipation of a news announcement, correction of an order imbalance or compliance with regulatory directives.
- 3 Trading may be suspended to permit market participants to digest information or developments that may have a significant effect on trading activity, such as:
 - 3.1 changes related to the financial health of a listed entity;
 - 3.2 major corporate transactions, including restructurings or mergers;
 - 3.3 significant positive or negative information about a listed entity's products;
 - 3.4 changes in a listed entity's key management individuals;
 - 3.5 legal or regulatory developments that affect a listed entity's ability to conduct business;
 - 3.6 releases of information by a listed entity that did not notify the exchange of the release in advance; or
 - 3.7 announcements of unsolicited tender offers made by an entity for a listed entity whose stock now is subject to the trading halt.
- 4 A trading pause is defined as temporary, short-term trading suspension (for example, for only a few minutes) of a security by the entity because of extreme volatility or erratic trading.

- 5 The scope of the disclosure excludes trading halts and pauses disclosed in metric FN-EX-550a.1, suspensions of trading of individual securities by the jurisdictional legal or regulatory authorities (for example, failure of an entity to file periodic reports) and market-wide trading suspension mechanisms required by the authorities (for example, in response to market-wide volatility).
- 6 The entity may summarise the disclosure in this table format:

Table 3. Market Suspension Trading Halts and Duration

	NUMBER	DURATION
Halt		
Pause		

FN-EX-410a.2. Percentage of trades generated from automated trading systems

- 1 The entity shall disclose the percentage of its total trades generated by automated or algorithmic trading systems.
 - 1.1 Automated or algorithmic trading is defined as the use of electronic platforms for entering trading orders with an automated algorithm that executes pre-programmed trading instructions.
 - 1.1.1 This includes high-frequency trading.
 - 1.1.2 This excludes programme trading.
- 2 The percentage of trades shall be calculated as the volume of trades executed (bought, sold and sold short) by an automated algorithm divided by the total volume of trades.
- 3 The scope of the disclosure includes trades occurring on public exchanges, in dark pools or through other trading systems.

Note to FN-EX-410a.2

- 1 The entity shall identify risks associated with automated or algorithmic trading occurring on its exchanges or in dark pools that it operates, such as regulatory, reputational or volatility risks, as well as risks to capital expenditures (for example, the risk that data centres could become stranded assets if the need for latency declines).
- 2 The entity shall identify opportunities associated with automated or algorithmic trading occurring on its exchanges or in dark pools that it operates, such as increased trading volume, revenue from co-location facilities and sales of trading software.

FN-EX-410a.3. Description of alert policy regarding timing and nature of public release of information

- 1 The entity shall describe its alert policy relating to listed entities' public release of information or developments that may (positively or negatively) affect a listed entity's stock price, such as:

- 1.1 changes related to the financial health of a listed entity;
 - 1.2 major corporate transactions, including restructurings or mergers;
 - 1.3 significant positive or negative information about a listed entity's products;
 - 1.4 changes in a listed entity's key management individuals; or
 - 1.5 legal or regulatory developments that affect a listed entity's ability to conduct business.
- 2 Relevant aspects of an alert policy to describe include:
- 2.1 timing of release of information in relation to market hours;
 - 2.2 newspaper agencies and wire services, such as a specification of which outlets should be notified; or
 - 2.3 the mechanisms of alert to the exchange (for example, by telephone, fax or email) and for public disclosure (for example, website, social media or press release).
- 3 The entity shall describe its provisions for halting, delaying or pausing trading when necessary to ensure fair, complete and transparent access to information.
- 3.1 The number and duration of halts and pauses shall be disclosed in FN-EX-410a.1.

FN-EX-410a.4. Description of policy to encourage or require listed entities to publicly disclose environmental, social, and governance (ESG) information

- 1 The entity shall describe its policies for entities listed on its exchanges related to environmental, social and governance (ESG) information, including:
 - 1.1 whether policies are rules-based (in which entities must meet specific structural or performance criteria) or if they are disclosure-based (in which entities must disclose specific information); and
 - 1.2 whether rules or disclosures are a requirement of listing (or continued listing), or whether compliance is voluntary for listed entities (recommended or encouraged by the entity).
- 2 The scope shall be limited to rules, requirements and disclosures that are incremental to initial public offering (IPO) or continued listing criteria defining size, distribution and other financial or legal minimum characteristics.
- 3 Governance information may include rules and disclosures related to board structure and independence, committees of the board, and codes of conduct or ethics.
- 4 Environmental information may include issues relating to the quality and functioning of the natural environment and natural systems, which may include greenhouse gas (GHG) emissions, biodiversity loss, climate change, air quality, energy and water efficiency, waste management, land use and other ecological impacts.

- 5 Social information may include issues relating to the rights, well-being and interests of people and communities, including human rights; labour standards in the supply chain; child, slave and bonded labour; worker health and safety; employee diversity and inclusion; and access and affordability.
- 6 Examples of encouraging entities to meet ESG rules or disclosure standards may include:
 - 6.1 promoting and facilitating transfer of information among regulators, investors and entities; and
 - 6.2 participation in disclosure programmes such as the Sustainable Stock Exchange Initiative.

Managing Conflicts of Interest

Topic Summary

Security and commodity exchanges are responsible for the oversight of member entities. Specifically, entities in this industry monitor membership information and regulatory compliance to ensure market integrity and transparency. Controversies relating to market manipulation, tax fraud, investor protection rules and anti-competitive behaviour have raised concern about conflicts of interest that arise because of security and commodity exchanges' position as self-regulatory organisations (SROs). Rapid innovation in financial markets provides significant opportunities to enhance profitability. However, exchanges must continue to fulfil their responsibilities as SROs to ensure open and fair access to all investors, to publish rules and fees, and to oversee trading. Entities that effectively discourage fraudulent or unethical activities may preserve market integrity, limit reputational damage and ensure long-term sustainable growth.

Metrics

FN-EX-510a.1. Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations.
- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, whether before a court, a regulator, an arbitrator or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement, verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, governmental, business or individual).
- 4 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.
- 5 The scope of the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.
- 6 The disclosure also shall include enforcements related to activities adjudicated by jurisdictional legal or regulatory authorities with mandates broader than the financial industry.
- 7 The entity shall disclose the relevant jurisdictional regulatory authority or authorities involved.

Note to **FN-EX-510a.1**

- 1 The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement or non-prosecution agreement) and context (for example, fraud, antitrust, market manipulation) of all monetary losses resulting from legal proceedings.
- 2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, management, processes, products, business partners, training or technology.

FN-EX-510a.2. Discussion of processes for identifying and assessing conflicts of interest

- 1 The entity shall describe its processes for identifying and assessing conflicts of interest, such as the use of corporate policies, monitoring procedures, dedicated personnel or board oversight.
- 2 The entity may describe efforts to minimise conflicts of interest including:
 - 2.1 education, interpretation or guidance on regulatory compliance for broker-dealer members;
 - 2.2 technical mechanisms to enforce compliance; and
 - 2.3 delegating some self-regulatory powers to an applicable jurisdictional legal or regulatory authority or a qualified independent third-party organisation.

Managing Business Continuity & Technology Risks

Topic Summary

Security and commodity exchanges face increased risks and opportunities associated with information technology. The industry's integral position in the proper functioning of financial markets requires that exchanges manage security breaches and technology errors to prevent market disruptions. Because security and commodity exchanges face increased volumes of trading associated with the clearing and execution of derivative trades and increased frequency of cyber-attacks, the industry may be exposed to new risks and opportunities associated with its reliance on information technology. Failure to ensure trading continuity may erode customer trust and result in reduced trading volumes and loss of revenue. Increased disclosure of efforts taken to prevent these risks may allow shareholders to assess the entity's value more accurately than they could otherwise.

Metrics

FN-EX-550a.1. (1) Number of significant market disruptions and (2) duration of downtime

- 1 The entity shall disclose the (1) number and (2) duration in hours of significant market disruptions.
 - 1.1 A significant market disruption is defined as an event in which the exchange ceases to function according to its typical manner and causes, or threatens to cause, steep market declines.
- 2 The scope of the disclosure excludes trading halts and pauses disclosed in metric FN-EX-410a.1, suspensions of trading of individual securities by the applicable jurisdictional legal or regulatory authorities (for example, the failure of an entity to file periodic reports), or market-wide trading suspension mechanisms required by the authorities (for example, in response to market-wide volatility).

Note to FN-EX-550a.1

- 1 The entity shall characterise the type of disruption, which may include member actions (for example, 'flash crashes' from algorithmic trading), technology-related disruption (for example, cyber-attack or computer failure), power losses, or high-risk, low-probability incidents (for example, terrorism, extreme environmental events or other physical threats).
 - 1.1 Disruptions shall be limited to those specifically targeted towards or specifically affecting the entity, and shall exclude general economic, political or environmental events. For example, a cyber-attack that targets the entity's exchange would be in the scope of the disclosure, but a cyber-attack on the jurisdictional government would not, despite the potential for the latter to have market effects.
- 2 The entity shall describe the extent of disruptions in the context of the aspects, features or services of the entity that were affected.
- 3 The entity shall describe the root cause of each disruption and any corrective actions implemented in response to each incident.

- 3.1 Corrective actions include specific changes in operations, management processes, products, business partners, training or technology.

FN-EX-550a.2. (1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected

- 1 The entity shall disclose (1) the total number of data breaches identified during the reporting period.
 - 1.1 A data breach is defined as an unauthorised occurrence on, or conducted through, an entity's information systems that jeopardises the confidentiality, integrity or availability of an entity's information systems or any information contained therein.
 - 1.1.1 Information systems are defined as information resources, owned or used by the entity, including physical or virtual infrastructure controlled by such information resources, or components thereof, organised for the collection, processing, maintenance, use, sharing, dissemination or disposition of an entity's information to maintain or support operations.
 - 1.2 The scope of the disclosure excludes occurrences in which an entity has reasonable and supportable belief that the occurrence (i) does not pose a risk of damage to the entity's business performance or prospects, (ii) does not pose a risk of damage to the interests of its customers and (iii) does not pose a risk of economic or social disadvantage to individuals.
- 2 An entity shall disclose (2) the percentage of data breaches that were personal data breaches.
 - 2.1 A personal data breach is defined as a data breach resulting in the accidental or unauthorised destruction, loss, alteration, disclosure of, or access to, personal data transmitted, stored or otherwise processed.
 - 2.2 Personal data is defined as any information that relates to an identified or identifiable living individual. Various pieces of information, which collected together can lead to the identification of a particular person, also constitute personal data.
 - 2.2.1 The entity may define personal data based on applicable jurisdictional laws or regulations. In such cases, the entity shall disclose the applicable jurisdictional standard or definition used.
 - 2.3 The scope of the disclosure shall include incidents during which encrypted data was acquired with an encryption key that also was acquired, as well as whether a reasonable belief exists that encrypted data could be converted readily to plaintext.
 - 2.3.1 Encryption is defined as the process of transforming plaintext into ciphertext.
- 3 The entity shall disclose (3) the total number of unique customers affected by personal data breaches.
 - 3.1 Accounts that the entity cannot verify as belonging to the same customer shall be disclosed separately.
- 4 The entity may delay disclosure if a law enforcement agency has determined that notification impedes a criminal investigation, and may be delayed until the law enforcement agency determines that such notification does not compromise the investigation.

Note to **FN-EX-550a.2**

- 1 The entity shall describe any corrective actions taken in response to data breaches, such as changes in operations, management, processes, products, business partners, training or technology.
- 2 All disclosure shall be sufficient such that it is specific to the risks the entity faces, but disclosure itself would not compromise the entity's ability to maintain data privacy and security.
- 3 The entity may disclose its policy for disclosing data breaches to affected customers in a timely manner.

FN-EX-550a.3. Description of efforts to prevent technology errors, security breaches, and market disruptions

- 1 The entity shall describe its policies and practices to ensure the confidentiality, integrity and availability of data across its data platforms.
 - 1.1 The scope of data includes information provided to and held by third parties, for example, regulators.
 - 1.2 Data platforms may include:
 - 1.2.1 trading services and technologies, such as software, data feeds and member services (for example, messaging or information services); and
 - 1.2.2 IT infrastructure, such as co-location facilities and low-latency connectivity equipment.
- 2 All disclosure shall be sufficient such that it is specific to the risks that the entity faces, but disclosure itself would not compromise the entity's ability to maintain data privacy and security.



**SASB
STANDARDS**

Now part of IFRS Foundation