



**SASB
STANDARDS**

Now part of IFRS Foundation

Appliance Manufacturing

Sustainability Accounting Standard

CONSUMER GOODS SECTOR

Sustainable Industry Classification System® (SICS®) CG-AM

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
Product Safety	7
Product Lifecycle Environmental Impacts	10

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

Appliance Manufacturing industry entities design and manufacture household appliances and hand tools. Entities in this industry sell and manufacture products all over the world, primarily selling products to consumers through retailers.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Product Safety	(1) Number of recalls issued and (2) total units recalled ¹	Quantitative	Number	CG-AM-250a.1
	Discussion of process to identify and manage safety risks associated with the use of its products	Discussion and Analysis	n/a	CG-AM-250a.2
	Total amount of monetary losses because of legal proceedings associated with product safety ²	Quantitative	Presentation currency	CG-AM-250a.3
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to an energy efficiency certification	Quantitative	Percentage (%) by revenue	CG-AM-410a.1
	Percentage of eligible products by revenue certified to an environmental product lifecycle standard	Quantitative	Percentage (%) by revenue	CG-AM-410a.2
	Description of efforts to manage products' end-of-life impacts	Discussion and Analysis	n/a	CG-AM-410a.3

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Annual production ³	Quantitative	Number of units	CG-AM-000.A

¹ Note to **CG-AM-250a.1** – The entity shall discuss notable recalls such as those that affected a significant number of units of one product or those related to serious injury or fatality.

² Note to **CG-AM-250a.3** – The entity shall briefly describe the nature, context, and any corrective actions taken because of monetary losses.

³ Note to **CG-AM-000.A** – Production shall be disclosed as the number of units produced by product category, where relevant product categories may include small appliances and major appliances.

Product Safety

Topic Summary

Product safety is of utmost importance to appliance and tool manufacturers. When an appliance malfunctions, fires or other resulting hazards may damage property, cause injury or even result in death. The potential for product malfunction and consequences exposes firms to litigation and negative consumer sentiment risks, which can affect brand value, revenue growth or market share. Entities issuing product recalls face upfront costs for logistics and customer reimbursement, reputational risks and lost sales. Failure to report known product safety hazards to relevant authorities can result in civil penalties. Entities that effectively manage quality control and testing can minimise the possibility of a product malfunction or recall, capture additional market share, and limit exposure to regulatory and litigation risks.

Metrics

CG-AM-250a.1. (1) Number of recalls issued and (2) total units recalled

- 1 The entity shall disclose (1) the total number of product recalls it issued during the reporting period, including voluntary and involuntary recalls.
 - 1.1 A recall is defined as the removal of alleged, potentially or known defective or hazardous products from the distribution chain and from the possession of consumers.
 - 1.2 Involuntary recalls are those requested or mandated by applicable jurisdictional legal or regulatory authorities, and they are issued when a product does not comply with regulatory safety standards, or when a safety-related defect in a product is identified.
 - 1.3 Voluntary recalls are those initiated by the entity to remove products from the market for safety-related concerns.
- 2 The entity shall disclose (2) the total number of units subject to product recalls.

Note to **CG-AM-250a.1**

- 1 The entity shall provide a discussion of notable recalls, such as those that affected a significant number of products or those related to potential or actual serious injuries or fatalities.
 - 1.1 A recall may be considered notable if it is mentioned in periodic jurisdictional recall reports.
- 2 For such recalls, the entity may provide:
 - 2.1 description and cause of the recall issue;
 - 2.2 the total number of units recalled;
 - 2.3 the cost to remedy the issue;

- 2.4 whether the recall was voluntary or involuntary;
- 2.5 corrective actions; and
- 2.6 any other significant outcomes (such as legal proceedings or fatalities).

CG-AM-250a.2. Discussion of process to identify and manage safety risks associated with the use of its products

- 1 The entity shall describe the business and operational processes employed to assess and manage risks associated with the use of its products.
 - 1.1 The scope of the disclosure shall include product safety risks to the end consumer during use phase.
 - 1.1.1 Risks may include those related to the materials used in the product, those related to the intended use of the product and those related to design or function of the product.
 - 1.1.2 Examples of risks may include fire, electric shocks, appliance tipping and carbon monoxide emissions.
- 2 At a minimum, the entity shall discuss how it assesses product safety risks, including the operational processes employed for these assessments and other actions taken to manage hazards and risks.
- 3 The entity shall disclose if it conducts testing or pursues third-party certification to verify safety of its finished products, including which certifications apply to which products.
 - 3.1 The scope of the disclosure excludes discussion of mandatory product certifications.
- 4 For identified safety hazards, the entity may discuss the time line to manage the hazard, identify which products or product lines are affected, and provide an analysis of progress towards hazard mitigation.
- 5 Relevant operational processes may include product design, product safety testing, risk characterisation, prioritisation of product risks, product labelling, product declarations, sharing of information on product risks, and management of new information on product risks.
- 6 Relevant actions to discuss may include product recall, consumer education, and initiatives supporting compliance with industry standards and applicable jurisdictional laws or regulations.
- 7 Relevant initiatives may include labelling, product design, material procurement, training, education and product declarations.

CG-AM-250a.3. Total amount of monetary losses because of legal proceedings associated with product safety

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with incidents relating to product safety.

- 2 The legal proceedings shall include any adjudicative proceeding in 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 because 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.

Note to **CG-AM-250a.3**

- 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, inadequate testing or certification) 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.

Product Lifecycle Environmental Impacts

Topic Summary

Entities in the Appliance Manufacturing industry seek to differentiate their products from those of competitors. One important differentiating factor is the lifecycle environmental impact of products and an entity's ability to design products with the entire lifecycle in mind, from creation and use to disposal. This includes appliance energy and water efficiency, which account for a significant proportion of a home's energy and water use, as well as designing for and facilitating safe end-of-life disposal and recycling. Entities designing and manufacturing products to decrease lifecycle environmental impacts are more likely to increase market share owing to a lower cost of ownership, and they may better manage increased regulation related to issues such as extended producer responsibility.

Metrics

CG-AM-410a.1. Percentage of eligible products by revenue certified to an energy efficiency certification

- 1 The entity shall disclose the percentage of its revenue from eligible products certified to an energy efficiency certification.
 - 1.1 The entity shall calculate the percentage as the revenue from products meeting the requirements for the applicable certification divided by total revenue from products eligible for certification by each certification.
 - 1.1.1 Eligible products are those in a product category for which certification exists, such as: heating and cooling product categories such as air purifiers, clothes dryers, clothes washers, dehumidifiers, dishwashers, freezers, refrigerators, air conditioners, boilers, ductless heating and cooling, furnaces, heat pumps and ventilation fans.
- 2 The scope of disclosure includes products that meet the requirements of the most current version of the applicable certification requirements.
 - 2.1 If the entity has products certified to a previous version of certification requirements, it shall disclose this information, including to which version its products are certified, a breakdown of how many products are certified to that version and the time line(s) for achieving certification to the most current requirements version.
- 3 For each jurisdiction where the entity sells products, the entity shall disclose the applicable certification programme.

CG-AM-410a.2. Percentage of eligible products by revenue certified to an environmental product lifecycle standard

- 1 The entity shall disclose the percentage of its revenue from eligible products certified to a third-party environmental product lifecycle standard.

- 1.1 Environmental product lifecycle standard is defined as a certification programme or standard focused product design and materials, manufacturing processes, product performance during use-phase, and product end-of-life.
- 1.2 The entity shall calculate the percentage as the revenue from products meeting the requirements for the applicable certification divided by total revenue from products eligible for certification by each certification.
 - 1.2.1 Eligible products are those in a product category for which certification exists, including: refrigeration appliances, washers, dryers, cooking appliances, air conditioners, microwave oven appliances, dehumidifier appliances and floor care appliances.
- 2 The scope of disclosure includes products that meet the requirements of the most current version of the applicable certification requirements.
 - 2.1 If the entity has products certified to a previous version of certification requirements, it shall disclose this information, including to which version its products are certified, a breakdown of how many products are certified to that version, and its time line(s) for achieving certification to the most current requirements version.
- 3 For each jurisdiction where the entity sells products, the entity shall disclose the applicable certification programme or disclose the applicable international certification programme.

CG-AM-410a.3. Description of efforts to manage products' end-of-life impacts

- 1 The entity shall describe its efforts to manage the end-of-life impacts of its products, including those related to safe and proper disposal or recycling of constituent chemicals and other product components, which may include toxic heavy metals (for example, mercury and cadmium), rigid polymers, refrigerants and other metals (for example, steel and aluminium).
- 2 The entity shall describe the scope of its efforts, including to which product categories, business segments or operating regions they relate.
- 3 The entity shall discuss how it includes end-of-life considerations in product design such as:
 - 3.1 Use of materials that are easily and commonly recyclable in existing recycling infrastructure
 - 3.2 Eliminating or minimising the use of hazardous materials or materials that may otherwise pose environmental harm upon disposal (for example, refrigerants with ozone depleting potential or global warming potential)
 - 3.3 Designing products for disassembly (i.e., designing products so they can be easily, rapidly, and cost-effectively disassembled with commonly available tools)
 - 3.4 Proper labelling of products and their component materials to facilitate disassembly and recycling
- 4 The entity shall discuss its participation in extended producer responsibility (EPR) initiatives, including:

- 4.1 Whether the entity directly conducts product take-back, recovery and recycling or if the entity supports infrastructure for product recovery and recycling through joint ventures, partnerships with retailers and others, or by funding research into recycling technologies
- 4.2 Whether the initiative is voluntary or mandatory
- 4.3 Relevant performance measures or targets for the initiative such as the total amount of material recovered and the total amount of material recycled



Now part of IFRS Foundation