Apparel, Accessories & Footwear

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

Prepared by the Sustainability Accounting Standards Board

October 2018
About SASB

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. The SASB Foundation’s mission is to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors.

The SASB Foundation operates in a governance structure similar to the structure adopted by other internationally recognized bodies that set standards for disclosure to investors, including the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). This structure includes a board of directors (“the Foundation Board”) and a standards-setting board (“the Standards Board” or “the SASB”). The Standards Board develops, issues, and maintains the SASB standards. The Foundation Board oversees the strategy, finances and operations of the entire organization, and appoints the members of the Standards Board.

The Foundation Board is not involved in setting standards, but is responsible for overseeing the Standards Board’s compliance with the organization’s due process requirements. As set out in the SASB Rules of Procedure, the SASB’s standards-setting activities are transparent and follow careful due process, including extensive consultation with companies, investors, and relevant experts.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD

1045 Sansome Street, Suite 450
San Francisco, CA 94111
415.830.9220
info@sasb.org

sasb.org
# Table of Contents

**Introduction** ............................................................................................................................................................. 4

The Standards Board......................................................................................................................................................... 4

Development of the Sustainability Accounting Standards .......................................................................................... 4

Approval of the Industry Standard................................................................................................................................. 5

Future Updates to the Standards....................................................................................................................................... 6

Revision CG-AA:01 – Industry: Apparel, Accessories & Footwear; Topic Name: Labor Conditions in the Supply Chain ................................................................................................................................. 7

Revision CG-AA:02 – Industry: Apparel, Accessories & Footwear; Topic Name: Raw Material Sourcing & Innovation .............................................................................................................................................. 9

Revision CG-AA:03 – Industry: Apparel, Accessories & Footwear; Topic Name: Raw Material Sourcing & Innovation ............................................................................................................................................. 10

Appendix A. Standards Board – Sector Committee Assignments .............................................................................. 12

Appendix B. Redline Metric Tables ............................................................................................................................... 13
Introduction

The publication of the Sustainability Accounting Standard ("Standard") for the Apparel, Accessories & Footwear Industry marks an important milestone for the industry and for global capital markets more generally. It is the first Standard designed to assist companies in the Apparel, Accessories & Footwear industry in disclosing financially material, decision-useful sustainability information to investors.

The Apparel, Accessories & Footwear Industry Standard was first released in a provisional form in June 2015 after an extensive standard-setting process. Following the release of the Provisional Standard, the SASB staff, under the guidance of the SASB standard-setting board ("the Standards Board" or "the SASB"), engaged in further due process to revise the Standard. In October 2018, the Standards Board approved revisions to the Standard. The Standards Board subsequently voted to approve the Apparel, Accessories & Footwear Industry Standard, thereby including it in as one of the 77 industries for which the SASB has developed and published an industry standard.

The Basis for Conclusions describes the rationale for revisions made to the provisional industry standard. Additionally, the document outlines the standard-setting process the Standards Board used to codify the standard. All standard-setting documentation, including prior drafts of the standard, summary reports, and comment letters, which informed the development of the standard, are publicly available at the Standard Setting Archive of the SASB website.

The Standards Board

The Standards Board is charged with developing, issuing, and maintaining SASB standards. The Standards Board operates in accordance with its primary governance documents, including the SASB’s Conceptual Framework and Rules of Procedure. The Conceptual Framework sets out the basic concepts, principles, definitions, and objectives that guide the Standards Board in its approach to setting standards. The Rules of Procedure establishes the due process followed by the Standards Board and staff in their standard-setting activities. The standard-setting process is designed to ensure each industry standard reflects the core objectives established in the Conceptual Framework to facilitate companies’ cost-effective reporting of financially material and decision-useful sustainability information to investors.

In its standard-setting role, the Standards Board operates in a transparent manner, including holding public board meetings. The Standards Board currently uses a sector-based committee structure, with three Standards Board members assigned primary responsibility for each given sector. In addition to sector committee reviews, the full Standards Board evaluates revisions to the standards. Information on Standards Board meetings, including minutes, agendas, and a schedule of upcoming meetings is available on the SASB website. A list of Standards Board members and their respective sector committee assignments is included in Appendix A.

Development of the Sustainability Accounting Standards

SASB staff initiated its standard-setting activities in 2012 under the oversight of the Standards Council.1 From August 2012 to March 2016, the SASB staff developed provisional standards for each of the industries identified in the Sustainable Industry Classification System® (SICS®).2 The provisional standards were developed through an iterative

---

1 The Standards Council served in a process oversight role, distinct from the standard-setting role the Standards Board serves in. Upon completion of the provisional phase in 2016, the Standards Council was disbanded.

2 At the time of the development of the provisional standards, SICS® contained 79 industries. SICS® was subsequently revised to 77 industries as a result of the combining of industries that contained similar sustainability-related risk and opportunity characteristics.
and transparent process centered on independent research, market input, and oversight from the Standards Council. Each provisional industry standard was developed based on staff research, industry working group (“IWG”) feedback, public comments, and individual consultations with companies, investors, and other relevant experts. Throughout the development of the provisional standards, more than 2,800 individuals participated in IWGs, 172 public comment letters were received, and hundreds of individual consultations were conducted with market participants by the SASB staff.

In 2016, following the issuance of the provisional standards across all industries, the SASB staff initiated a dedicated market consultation period to gain further insight into market views on the provisional standards. Subsequently, the Standards Board was seated and initiated a due process phase that culminated in the codification of 77 industry standards in October 2018. This standard-setting phase that began with the provisional standards and concluded with the codified standards is described more fully below. All standard-setting documentation discussed below are publicly available at the Standard Setting Archive of the SASB website.

- **Consultation:** In the six-month period from Q4 2016 – Q1 2017, the SASB staff conducted consultations to gather additional input from companies, investors, and relevant experts on the provisional standards. Throughout this phase, the SASB staff received input on the complete set of industry standards from individual consultations conducted with 141 companies, 19 industry associations, and 271 investor consultations via 38 institutional investors. The Consultation Summary comprises the findings from the consultations.

- **Technical Agenda:** In July 2017, after a period of review to evaluate market input from consultations on the provisional standards, the Standards Board worked with the SASB staff to publish the Technical Agenda. The Technical Agenda formally lists the areas of focus to address in preparing the standards for codification, emphasizing those issues for which strong evidence surfaced and/or those which received significant market feedback during the consultation period.

- **Public Comment Period:** In October 2017, the Standards Board published exposure drafts of the standards, which incorporated proposed changes guided by the Technical Agenda to the provisional standards. This opened a 90-day period, subsequently extended to a 120-day period, from October 2017 to January 2018, for public comment and review of proposed changes to provisional standards. Market participants provided 120 comment letters during the comment period. All letters received and a Summary of Public Comments are available at the Standard Setting Archive.

The Standards Board and the SASB staff evaluated the public comments received in conjunction with previous market input and research to determine the revisions to be made to the provisional standard.

**Approval of the Industry Standard**

On October 13, 2018, the Standards Board voted unanimously to revise the Provisional Standard for the Apparel, Accessories & Footwear industry. In light of these revisions, on October 16, 2018, the Standards Board voted unanimously in favor of removing this Standard’s provisional status. In doing so, the Standards Board considered all phases of the standard-setting process, including those detailed in the above documents, to assess their underlying rationale, their adherence to due process, and their faithfulness to the essential concepts of sustainability accounting, as described in the Conceptual Framework.
The following section of this document describes the rationale for the revisions. Appendix B contains a redline table that summarizes these revisions. Revisions relative to the provisional standard that have not altered the scope or content of disclosure topics or metrics, such as those that are intended to improve the consistency, clarity, and accuracy of the standard, are not specifically addressed in the Basis for Conclusions.

Future Updates to the Standards

As social, economic, regulatory, and other developments alter an industry’s competitive landscape, the SASB standards may need to evolve to reflect new market dynamics. The Standards Board will follow a regular standards review cycle to address emerging and evolving issues that may result in updates to the SASB standards.

The Standards Board intends to direct the SASB staff to compile and publish a Research Agenda, which outlines items that have been identified as requiring further analysis. Evidence-based research and market input, including feedback from outreach and consultation, will inform reviews of issues on the Research Agenda. Items from the Research Agenda may later be added to the Standards Board’s Technical Agenda for additional due process and formal deliberation. All updates are subject to the standard-setting process described in the Rules of Procedure.
Revision CG-AA:01 – **Industry:** Apparel, Accessories & Footwear; **Topic Name:** Labor Conditions in the Supply Chain

**2017 Technical Agenda Item #9-3 Description**

The SASB is evaluating the revision of metric CN0501-06 to improve its completeness and representativeness.

**Summary of Change – Revise Technical Protocol**

The SASB added a note to provisional metric CN0501-06, “Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits,” to provide context regarding a registrant’s supply chain auditing practices.

**Adherence to Attributes of Technical Protocols**

The Apparel, Accessories & Footwear Industry Provisional Standard includes a topic for Labor Conditions in the Supply Chain with associated metrics to describe a company’s management of operational and reputational risks related to labor conditions throughout the firm’s supply chain. Specifically, provisional metric CN0501-06 examines the priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits. The technical protocol in the provisional metric describes the way the company should calculate the priority non-conformance rate, as well as how to describe any corrective actions taken. While the technical protocol provides measurable, relevant guidance, it does not provide context around a firm’s supply chain auditing practices. To address this, the new note allows companies to describe relevant supply chain auditing issues such as audit criteria that may provide a more complete picture of a firm’s practices. This additional information improves the completeness of the technical protocol.

**Supporting Analysis**

Reporting on supplier labor conditions is challenging due to the complexities within the industry’s supply chain, such as the lack of transparency and direct control over factories, as well as the lack of an industry standard or consensus around information to disclose. The SASB’s analysis of current disclosure practices shows that, while some companies identify reputational and operational risks arising from this topic, most companies either do not disclose metrics on their progress in SEC filings or disclose a variety of metrics through sustainability reports. A review of the sustainability reports of top companies in the industry showed that reported metrics can include: number of facilities audited, number of audits conducted, and/or percentage of suppliers audited. Further, there is a lack of transparency in the apparel industry supply chain, which makes it difficult to understand where labor violations occur. Labor violations are more common up the supply chain, e.g., in Tier 2 and beyond, but apparel companies have less oversight and knowledge about their suppliers beyond Tier 1. Company efforts to increase transparency in their supply chains is therefore an important element to the overall understanding of company management of this issue.

The diverse manner in which companies have implemented policies and practices to manage supply chain labor conditions suggests that complete understanding of the issue requires additional detail regarding the specific policies and practices employed, as well as the context surrounding the implementation of these policies and practices.

---

1 CN0501-06 - Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits
Providing the opportunity for companies to disclose additional information around audit practices (such as audit criteria), company efforts to increase supply chain transparency, disclosure of ongoing relationships with suppliers, and time taken to resolve issues is important in order to give context to the quantitative metric. The updated technical protocol provides a more complete picture of company management of—and investment in—its supply chain partners.

**Market Input**

Investors: The seven analysts who provided feedback during the 2016-2017 consultation period noted that additional detail from companies regarding their management of the issue would improve the quality of the information generated by the standard. While the SASB’s approach to including critical non-compliances (i.e., “zero tolerance” violations) was thought to be useful, context around these violations provides a more complete picture.

Companies: Three individual companies and an industry association indicated that the addition of a note would be a good revision to this metric and that additional context is important. There was feedback that the SASB’s approach to auditing may drive companies toward more auditing rather than toward behavior that will lead to improved performance and accountability. There was feedback that, due to the complexity of supply chains in the industry, a detailed explanation as well as contextual information was required for the interpretation of environmental and social factory audits data. Stakeholders indicated that additional information around audit practices (such as audit criteria), company efforts to increase supply chain transparency and develop capacity-building programs, along with disclosures of ongoing relationships with suppliers, and time taken to resolve issues need to be disclosed alongside audit performance data. These stakeholders indicated that such information would provide a more complete picture of company performance and investment into its supply chain partners. These factors have been addressed in the note to the metric.

**Benefits**

Improves the SASB Standard: Adding a note to the provisional metric provides more context and insight to the quantitative audit results, which could be misinterpreted. The standard includes specific guidance around the type of context to include, thereby providing a more complete view of how companies manage this topic.
Revision CG-AA:02 – **Industry:** Apparel, Accessories & Footwear; **Topic Name:** Raw Material Sourcing & Innovation

2017 Technical Agenda Item #9-2 Description

The SASB is evaluating the suitability of the topic name.

**Summary of Change – Revise Topic Name**

The SASB revised the provisional topic name from Raw Materials Sourcing & Innovation to Raw Materials Sourcing.

**Supporting Rationale**

The Apparel, Accessories & Footwear Industry Provisional Standard has a topic for Raw Material Sourcing & Innovation. A core objective of the standard is to generate decision-useful information. As established in the SASB Conceptual Framework, the decision-usefulness of sustainability information is enhanced when it meets numerous criteria, including neutrality. While the revision did not impact the information generated by the standard, the presentation of such information is enhanced by removing terminology that could be perceived as lacking neutrality. This topic relates to how companies are managing sustainability risks associated with the raw materials inputs they source for their finished products. While innovation can be a strategy to manage sustainability risks associated with raw materials sourcing, there may be other means available to companies for managing the issue. This change facilitates a more neutral topic name that is consistent with the principals of the SASB Conceptual Framework.

**Benefits**

Implements the SASB Standard: The revision improves the neutrality of the standard.
Revision CG-AA:03 – Industry: Apparel, Accessories & Footwear; Topic Name: Raw Material Sourcing & Innovation

2017 Technical Agenda Item #9-1 Description

The SASB is evaluating the revision of metric CN0501-03\(^4\) to improve its cost-effectiveness and the alignment with existing industry frameworks.

Summary of Change – Revise Metric

The SASB revised provisional metric CN0501-03 from “Top five raw materials used in products, by weight” to “Description of environmental and social risks associated with sourcing priority raw materials.”

Adherence to Criteria for Accounting Metrics

The Apparel, Accessories & Footwear Industry Provisional Standard includes a topic for Raw Material Sourcing & Innovation\(^5\) (topic name has been revised to Raw Materials Sourcing, as per Revision CG-AA:02) with two associated quantitative metrics that characterized a company’s management of environmental and social risks related to the sourcing and procurement of raw material inputs. Sustainability concerns related to climate change, water scarcity, land use, resource scarcity, and conflict in the supply chain are increasingly shaping the industry’s ability to source materials, including cotton, leather, wool, rubber, and precious minerals and metals. The types of risks vary by raw material and the geographic location from where they are sourced, as do approaches to mitigate those risks. With respect to raw materials sourcing, the provisional metric (CN0501-03) focused on the disclosure of the top five raw materials used in products, by weight. The provisional metric did not provide a complete view of a company’s risks related to raw materials sourcing in part because a given raw material may present a critical risk to a company, even if only a small amount of it is needed, by weight. Further, many companies within the industry do not yet have the systems in place to monitor all raw materials from their source to the end product. Tracking this would require a material investment and significant coordination with suppliers. The revision of the metric addresses these concerns by improving the cost-effectiveness of disclosure by aligning the metric with the Higg Index developed by the Sustainable Apparel Coalition (SAC). The SAC, which is the major sustainability-focused industry association in this industry, developed the Higg Index in collaboration with member companies to serve as a sustainability benchmarking tool.

Supporting Analysis

Two major apparel brands have publicly reported on the top five raw materials used; however, this is not common practice among apparel and footwear manufacturers. This is because many companies in the industry do not have the data collection processes in place to calculate the absolute amount of raw materials used in products. This collection process is further complicated as the company must often rely on data from suppliers. There is also a disconnect between weight and importance of raw materials in the production process, and various materials are measured in different units. Cost of goods sold (COGS) was investigated as a potential solution to define “priority” or “critical” raw materials. However, this hides the fact that some raw materials may be a small portion of raw material costs but have outsized risks associated with social, environmental, or political factors, such as sourcing from a risky country or a raw materials.

---

\(^4\) CN0501-03 - Top five raw materials used in products, by weight
\(^5\) See Revision CG-AA:02 for the revised topic name.
water-stressed region. Therefore, there could be significant exposure to reputational sourcing risks around certain materials used in a lower quantity.

Additionally, the revision increases alignment with the SAC Higg Index indicators. Aligning the SASB metrics with Higg Index indicators reduces the cost burden for companies to adopt the SASB metrics. Many of the metrics in the provisional standard reference Higg Index indicators and either have a high feasibility or a possibility that Higg Index data can be the basis for reporting the SASB metrics. Thus, the discussion and analysis metric regarding management of risks and opportunities associated with raw materials may be more appropriate for disclosure, as it significantly increases alignment with industry practices and improves the cost-effectiveness of the standard.

**Market Input**

Investors: Seven investors provided feedback and all expressed interest in comparable disclosure on the top raw materials and associated sourcing risks. All investors consulted on this topic agreed that weight is not the best unit of measurement to track performance on this topic, and supported the inclusion of a general discussion around risks and governance strategies related to sourcing of priority materials, especially including information on regions where materials are sourced.

Companies: Three companies noted that it would be difficult to provide the weight of their priority materials without significant investment. One industry association that represents major industry players indicated the provisional metric was not cost-effective because not all companies have the data collection systems in place to calculate their top five raw materials. Further complicating data collection and evaluation is the fact that input materials are measured in various units, such as metric tons for cotton, square feet for leather, and yards for fabric, while the heaviest raw materials do not necessarily represent the most significant raw material risks.

**Benefits**

Improves cost-effectiveness: The change improves cost-effectiveness through alignment with the SAC Higg Index indicators.
## Appendix A. Standards Board – Sector Committee Assignments

<table>
<thead>
<tr>
<th>STANDARDS BOARD MEMBER</th>
<th>SECTOR CHAIR</th>
<th>OTHER COMMITTEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey Hales, PhD (Chair)</td>
<td>Financials, Renewable Resources &amp; Alternative Energy</td>
<td>Transportation, Services, Resource Transformation</td>
</tr>
<tr>
<td>Professor, Georgia Institute of Technology – Ernest Scheller Jr. College of Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verity Chegar (Vice Chair)</td>
<td>Extractives &amp; Minerals Processing</td>
<td>Financials, Technology &amp; Communications, Infrastructure</td>
</tr>
<tr>
<td>Vice President, BlackRock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert B. Hirth Jr. (Vice Chair)</td>
<td>Technology &amp; Communications</td>
<td>Health Care, Extractives &amp; Minerals Processing, Services</td>
</tr>
<tr>
<td>Senior Managing Director, Protiviti; Chairman Emeritus, COSO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daniel L. Goelzer, JD</td>
<td>Services</td>
<td>Financials, Resource Transformation, Infrastructure</td>
</tr>
<tr>
<td>Senior Counsel, Baker &amp; McKenzie LLP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurt Kuehn</td>
<td>Transportation, Infrastructure</td>
<td>Consumer Goods, Renewable Resources &amp; Alternative Energy</td>
</tr>
<tr>
<td>Former CFO, United Parcel Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lloyd Kurtz, CFA</td>
<td>Health Care, Resource Transformation</td>
<td>Technology &amp; Communications, Food &amp; Beverage</td>
</tr>
<tr>
<td>Senior Portfolio Manager, Head of Social Impact Investing, Wells Fargo Private Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elizabeth Seeger</td>
<td>Consumer Goods</td>
<td>Health Care, Extractives &amp; Minerals Processing, Food &amp; Beverage</td>
</tr>
<tr>
<td>Head of Sustainable Investing, KKR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephanie Tang, JD</td>
<td>Food &amp; Beverage</td>
<td>Transportation, Consumer Goods, Renewable Resources &amp; Alternative Energy</td>
</tr>
<tr>
<td>Director of Legal, Corporate Securities, Stitch Fix</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix B. Redline Metric Tables

Redline tables are provided below for all sustainability accounting metrics (Table 1) and activity metrics (Table 2). All significant revisions to topics and metrics between the provisional standard and the codified standard are shown in redline; however, such redlines are not intended to communicate the full scope of such revisions, for which readers should refer to the codified Standard and accompanying content elsewhere in the Basis for Conclusions.

All redlines presented in these tables are associated with a revision number in the Revision Number column. Significant revisions to the technical protocol associated with a given metric will not necessarily be apparent in redline in the tables; however, the associated revision number will be noted in the Revision Number column of each table.

Any redlines that depict revisions to metrics but that are not accompanied by a revision number (i.e., “n/a”) are not addressed in the Basis for Conclusions as these revisions have not altered the scope or content of metrics, such as those that are intended to improve the consistency, clarity, and accuracy of the standard. Similarly, if a metric is not accompanied by a revision number, the technical protocol may have been revised to improve the consistency, clarity, and accuracy of the standard.
## Table 1

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACCOUNTING METRIC</th>
<th>CATEGORY</th>
<th>UNIT OF MEASURE</th>
<th>PROVISIONAL METRIC CODE</th>
<th>CODIFIED METRIC CODE</th>
<th>REVISION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of Chemicals in Products</td>
<td>Description Discussion of processes to maintain compliance with restricted substances regulations</td>
<td>Discussion and Analysis</td>
<td>n/a</td>
<td>CN0501-01</td>
<td>CG-AA-250a.1</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Description Discussion of processes to assess and manage risks and hazards associated with chemicals in products</td>
<td>Discussion and Analysis</td>
<td>n/a</td>
<td>CN0501-02</td>
<td>CG-AA-250a.2</td>
<td>n/a</td>
</tr>
<tr>
<td>Environmental Impacts in the Supply Chain</td>
<td>Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or exceeding legal requirements</td>
<td>Quantitative</td>
<td>Percentage (%)</td>
<td>CN0501-08</td>
<td>CG-AA-430a.1</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition’s Higg Index Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data collection assessment</td>
<td>Quantitative</td>
<td>Percentage (%)</td>
<td>CN0501-09</td>
<td>CG-AA-430a.2</td>
<td>n/a</td>
</tr>
<tr>
<td>Labor Conditions in the Supply Chain</td>
<td>Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, percentage of total audits conducted by a third-party auditor</td>
<td>Quantitative</td>
<td>Percentage (%)</td>
<td>CN0501-05</td>
<td>CG-AA-430b.1</td>
<td>CG-AA:01</td>
</tr>
<tr>
<td></td>
<td>Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits</td>
<td>Quantitative</td>
<td>Rate</td>
<td>CN0501-06</td>
<td>CG-AA-430b.2</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Discussion Discussion of greatest labor and environmental, health, and safety risks in the supply chain</td>
<td>Discussion and Analysis</td>
<td>n/a</td>
<td>CN0501-07</td>
<td>CG-AA-430b.3</td>
<td>n/a</td>
</tr>
</tbody>
</table>

---

6 The Provisional Metric Code column provides the metric code that appeared in the Provisional Standard. The Codified Metric Code column provides the revised metric code that appears in the Codified Standard. The revised metric code is structured as follows: [Sector Code]-[Industry Code]-[Topic Code].[Metric Number].
### Table 2.

<table>
<thead>
<tr>
<th>ACTIVITY METRIC</th>
<th>CATEGORY</th>
<th>UNIT OF MEASURE</th>
<th>PROVISIONAL METRIC CODE</th>
<th>CODIFIED METRIC CODE</th>
<th>REVISION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1</td>
<td>Quantitative</td>
<td>Number</td>
<td>CN0501-A</td>
<td>CG-AA-000.A</td>
<td>n/a</td>
</tr>
</tbody>
</table>

---

7 The Provisional Metric Code column provides the metric code that appeared in the Provisional Standard. The Codified Metric Code column provides the revised metric code that appears in the Codified Standard. The revised metric code is structured as follows: [Sector Code]-[Industry Code]-[Topic Code].[Metric Number].