



**SASB
STANDARDS**

Now part of IFRS Foundation

Multiline and Specialty Retailers & Distributors

Sustainability Accounting Standard

CONSUMER GOODS SECTOR

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

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



IFRS®
Sustainability

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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.

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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

The Multiline and Specialty Retailers & Distributors industry encompasses a variety of retailing categories such as department stores, mass merchants, home products stores and warehouse clubs, as well as a smaller segment of distributors like electronics wholesalers and automotive wholesalers. These entities (except for the distribution segment) commonly manage global supply chains to anticipate consumer demands, keep costs low and keep products stocked in their brick-and-mortar storefronts. This is a highly competitive industry in which each category generally has a small number of important players characterised by generally low margins. The relatively substitutable nature of retail makes entities in this industry especially susceptible to reputational risks.

Note: Separate standards exist for the Food Retailers & Distributors (FB-FR), Drug Retailers (HC-DR), E-Commerce (CG-EC) and Apparel, Accessories & Footwear (CG-AA) industries. Retail entities involved in food or drug retail, e-commerce, or apparel, accessories and footwear manufacturing should also consider the disclosure topics and metrics outlined in these other standards.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1
	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected ¹	Quantitative	Number, Percentage (%)	CG-MR-230a.2
Labour Practices	(1) Average hourly wage and (2) percentage of in-store and distribution centre employees earning minimum wage, by region	Quantitative	Presentation currency, Percentage (%)	CG-MR-310a.1
	(1) Voluntary and (2) involuntary turnover rate for in-store and distribution centre employees	Quantitative	Percentage (%)	CG-MR-310a.2
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations ²	Quantitative	Presentation currency	CG-MR-310a.3
Workforce Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management and (c) all other employees ³	Quantitative	Percentage (%)	CG-MR-330a.1
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination ⁴	Quantitative	Presentation currency	CG-MR-330a.2
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental or social sustainability standards	Quantitative	Presentation currency	CG-MR-410a.1
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3

¹ Note to **CG-MR-230a.2** – The disclosure shall include a description of corrective actions implemented in response to data breaches.

² Note to **CG-MR-310a.3** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

³ Note to **CG-MR-330a.1** – The entity shall describe its policies and programmes for fostering equitable employee representation across its global operations.

⁴ Note to **CG-MR-330a.2** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of: (1) retail locations and (2) distribution centres	Quantitative	Number	CG-MR-000.A
Total area of: (1) retail space and (2) distribution centres	Quantitative	Square metres (m ²)	CG-MR-000.B

Energy Management in Retail & Distribution

Topic Summary

Entities in this industry require significant amounts of energy for retail facilities and warehouses. An increasing number of greenhouse gas (GHG) emissions regulations and incentives for energy efficiency and renewable energy may result in price increases for conventional electricity sources while making alternative sources more cost-competitive. Fossil fuel-based energy production and consumption contribute to significant environmental impacts, including climate change and pollution. Energy sourcing decisions can create trade-offs related to energy supply costs and operational reliability. Overall energy efficiency and access to alternative energy sources are becoming increasingly important for entities to manage. Efficiency in this area can have financial implications through direct cost savings, which are particularly beneficial in this low-margin industry.

Metrics

CG-MR-130a.1. (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable

- 1 The entity shall disclose (1) the total amount of energy it consumed as an aggregate figure, in gigajoules (GJ).
 - 1.1 The scope of energy consumption includes energy from all sources, including energy purchased from external sources and energy produced by the entity itself (self-generated). For example, direct fuel usage, purchased electricity, and heating, cooling and steam energy are all included within the scope of energy consumption.
 - 1.2 The scope of energy consumption includes only energy directly consumed by the entity during the reporting period.
 - 1.3 In calculating energy consumption from fuels and biofuels, the entity shall use higher heating values (HHV), also known as gross calorific values (GCV), which are measured directly or taken from the Intergovernmental Panel on Climate Change (IPCC).
- 2 The entity shall disclose (2) the percentage of energy it consumed that was supplied from grid electricity.
 - 2.1 The percentage shall be calculated as purchased grid electricity consumption divided by total energy consumption.
- 3 The entity shall disclose (3) the percentage of energy it consumed that was renewable energy.
 - 3.1 Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass.
 - 3.2 The percentage shall be calculated as renewable energy consumption divided by total energy consumption.

- 3.3 The scope of renewable energy includes renewable fuel the entity consumed, renewable energy the entity directly produced and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier programme, or other green power products that explicitly include RECs or GOs, or for which Green-e Energy Certified RECs are paired with grid electricity.
- 3.3.1 For any renewable electricity generated on-site, any RECs and GOs shall be retained (not sold) and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.
- 3.3.2 For renewable PPAs and green power products, the agreement shall explicitly include and convey that RECs and GOs be retained or replaced and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.
- 3.3.3 The renewable portion of the electricity grid mix that is outside of the control or influence of the entity is excluded from the scope of renewable energy.
- 3.4 For the purposes of this disclosure, the scope of renewable energy from biomass sources is limited to materials certified to a third-party standard (for example, Forest Stewardship Council, Sustainable Forest Initiative, Programme for the Endorsement of Forest Certification or American Tree Farm System), materials considered eligible sources of supply according to the *Green-e Framework for Renewable Energy Certification, Version 1.0* (2017) or Green-e regional standards, or materials eligible for an applicable jurisdictional renewable portfolio standard.
- 4 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel usage (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

Data Security

Topic Summary

Consumers trust retail entities with their financial and personal data every time they make a noncash transaction with a credit or debit card or other method. Credit cards and debit cards have eclipsed cash and cheques as consumers' preferred payment methods in many jurisdictions around the world. In these noncash transactions, retailers build up a relationship of trust with consumers, assuring them of the safety of their personal information. Data breaches can occur both through breaches of the physical payment technology, called point-of-sales breaches, as well as through cyber-attacks. As consumers become more educated about the threats of cybercrime, their perceptions of an entity's cybersecurity will become increasingly important to maintain or gain market share. Retailers that prevent major data breaches also can avoid harming brand value and reduce liabilities.

Metrics

CG-MR-230a.1. Description of approach to identifying and addressing data security risks

- 1 The entity shall describe its approach to identifying information system vulnerabilities that may pose a data security risk.
 - 1.1 Vulnerability is defined as a weakness in an information system, implementation, system security procedure or internal control that could be exploited.
 - 1.2 Data security risk is defined as the risk of any circumstance or event with the potential to affect organisational operations (including mission, functions, image or reputation), assets, individuals, other organisations or governments through an information system via unauthorised access, destruction, disclosure, modification of information or denial of service.
- 2 The entity shall describe its approach to managing identified data security risks and vulnerabilities which may include operational procedures, management processes, structure of products, selection of business partners, employee training and use of technology.
- 3 The entity may discuss observed trends in type, frequency and origination of attacks on its data security and information systems.
- 4 The entity may describe the degree to which its approach aligns with an external standard or framework, or applicable jurisdictional legal or regulatory framework for managing data security, such as:
 - 4.1 the ISO/IEC 27000-series; and
 - 4.2 the National Institute of Standards and Technology (NIST) *Framework for Improving Critical Infrastructure Cybersecurity*, 2018.

- 5 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.

CG-MR-230a.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 and (ii) does not pose a risk of economic or social disadvantage to individuals.
- 2 The 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 **CG-MR-230a.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.

Labour Practices

Topic Summary

The retail industry's significance to the global economy as a major employer often puts it at the centre of public labour-practice discussions. These discussions can have serious reputational implications for entities in the industry if their labour practices are poor. The low average wages typical of the industry, which help entities maintain low prices on products, may increase these labour-related risks. Since customers regularly interact directly with retail employees, entities may experience decreased market share and revenue from negative consumer sentiment because of poor labour relations. Entities can enhance labour productivity and employee engagement by taking a long-term approach to managing workers in areas such as compensation and workers' rights. In addition to mitigating risks, improvements in labour productivity may strengthen an entity's reputation and reduce its cost of capital.

Metrics

CG-MR-310a.1. (1) Average hourly wage and (2) percentage of in-store and distribution centre employees earning minimum wage, by region

- 1 The entity shall disclose (1) the average hourly wage it paid to in-store and distribution centre employees for each region for which it conducts segment financial reporting.
 - 1.1 In-store employees include cashiers; customer service representatives; first-line supervisors and managers of retail sales workers; retail salespersons; and stock clerks and order fillers.
 - 1.2 Distribution centre employees include industrial truck and tractor operators; labourers and freight, stock and material movers; shipping, receiving and traffic clerks; stock clerks and order fillers; and transportation, storage and distribution managers.
 - 1.3 The entity may refer to jurisdictional occupation classification systems or the International Standard of Classifications of Occupations (ISCO) for additional guidance regarding employee classification.
 - 1.4 The average hourly wage shall be calculated as the total wages, including commissions but excluding overtime pay, paid to in-store and distribution centre employees divided by the number of regular hours worked, excluding overtime hours, by in-store and distribution centre employees during the reporting period.
- 2 The entity shall disclose (2) the percentage of in-store employees and distribution centre employees earning at (but not above) the minimum wage for each region for which it conducts segment financial reporting, if applicable.
 - 2.1 Minimum wage is defined as the jurisdictionally-mandated minimum wage applicable for each worker.
 - 2.2 The entity shall calculate the percentage by dividing the number of in-store and distribution centre employees that earn at the minimum wage level by the total number of in-store and distribution centre employees.

- 2.3 For jurisdictions with no minimum wage requirement, the 10th percentile hourly wage of all wage earners in that jurisdiction shall be used.
- 3 The scope of the disclosure excludes corporate employees.
- 4 The entity may discuss the average minimum wage, weighted on an hours-worked basis, for each geographical region for which it conducts segment financial reporting.
- 5 The entity may discuss the sensitivity of its costs and profit margins to future adjustments in the minimum wage, including:
 - 5.1 the likelihood of a minimum wage increase in the jurisdictions in which the entity operates, and the jurisdictions in which this is more likely to occur;
 - 5.2 the percentage of its current in-store and distribution centre employees whose compensation is near the current minimum wage and whose compensation may be affected by a change in minimum wage regulations; and
 - 5.3 the magnitude of the financial effects a minimum wage increase might have on the entity.

CG-MR-310a.2. (1) Voluntary and (2) involuntary turnover rate for in-store and distribution centre employees

- 1 The entity shall disclose the employee turnover rate as a percentage for in-store and distribution centre employees.
 - 1.1 Turnover shall be disclosed separately for (1) voluntary and (2) involuntary departures.
 - 1.2 The scope of the disclosure excludes corporate staff and executives. All calculations are based on the number of in-store and distribution centre employees (those employees who work on-site in retail facilities, warehouses or distribution centres).
- 2 The entity shall calculate the (1) voluntary turnover rate as the number of employee-initiated voluntary separations (for example, resignations or retirement) during the reporting period, divided by the average number of workers employed during the reporting period.
- 3 The entity shall calculate the (2) involuntary turnover rate as the number of entity-initiated separations (for example, dismissal, downsizing, redundancy or non-renewal of contract) during the reporting period, divided by the average number of workers employed during the reporting period.

CG-MR-310a.3. Total amount of monetary losses as a result of legal proceedings associated with labour law violations

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with labour law violations such as those relating to wages, work hours, overtime and meal and rest breaks.

- 2 The legal proceedings shall include any adjudicative proceeding in which the entity was involved, 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.

Note to CG-MR-310a.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, improper working conditions or unfair compensation) 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.

Workforce Diversity & Inclusion

Topic Summary

The Multiline and Specialty Retailers & Distributors industry is consumer-facing and relies on communicating effectively with customers during the sales process and adapting to changing consumer demands for products. As many developed markets undergo massive demographic shifts, including increases in minority populations, entities in this industry can benefit from ensuring that their culture and hiring and promotion practices embrace building a diverse workforce for management and junior staff. Retailers that respond to this demographic shift and employ staff who can recognise the needs of diverse populations may be better positioned to capture demand from consumer markets whose members have traditionally been overlooked, providing entities a competitive advantage. Furthermore, such entities may benefit from improved reputations among consumers, as well as decreased legal and regulatory risks.

Metrics

CG-MR-330a.1. Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management and (c) all other employees

- 1 The entity shall disclose (1) the percentage of gender representation among its employees for (a) executive management, (b) non-executive management and (c) all other employees.
 - 1.1 The entity shall categorise the gender of its employees as women, men or not disclosed.
 - 1.1.1 The entity may disclose additional categories of gender identity or expression.
 - 1.2 The entity shall use these employee categories: (a) executive management, (b) non-executive management and (c) all other employees.
 - 1.3 Executive management is defined as chief executives and senior officials who formulate and review the entity's policies, and plan, direct, coordinate and evaluate the overall activities of the entity with the support of other managers.
 - 1.3.1 The entity may refer to the International Standard Classification of Occupations (ISCO) Sub-Major Group 11 or an applicable jurisdictional occupation classification system for a definition of executive management. In such cases, the entity shall disclose the occupation classification standard used to classify executive management.
 - 1.4 Non-executive management is defined as those who plan, direct, coordinate and evaluate the activities of the entity, or of organisational units within it, and formulate and review its policies, rules and regulations, other than executive management.
 - 1.4.1 The entity may refer to the ISCO Major Group 1 (excluding Sub-Major Group 11) or an applicable jurisdictional occupational classification system for a definition of non-executive management. In such cases, the entity shall disclose the occupation classification standard used to classify non-executive management.

- 1.5 All other employees are defined as those employees who are not classified as executive management or non-executive management.
- 1.6 The entity shall calculate the percentage of gender representation for each employee category as the number of employees in each gender category divided by the total number of employees in the respective employee category.
- 2 The entity shall disclose (2) the percentage of diversity group representation among its employees for (a) executive management, (b) non-executive management and (c) all other employees.
 - 2.1 The entity shall identify diversity groups in its workforce.
 - 2.1.1 Diversity is defined as the presence of people from populations who have been underrepresented in a particular field or are otherwise historically marginalised in a particular society.
 - 2.1.2 Diversity groups may be defined by dimensions such as race, ethnicity, disability status, region of origin, migrant status, indigenous background, age, socioeconomic background, religious affiliation, sexual orientation or gender identity.
 - 2.1.3 Diversity groups may be defined by applicable jurisdictional laws or regulations or third-party frameworks.
 - 2.1.4 The entity may omit diversity groups if collecting data on that group would be prohibited by applicable jurisdictional laws or regulations or would pose a risk of harm to members of the group.
 - 2.2 The entity shall calculate the percentage of diversity group representation for each employee category as the number of employees in each diversity group, divided by the total number of employees in the respective employee category.
- 3 The entity may provide disclosures on gender or diversity group representation disaggregated by jurisdiction.
- 4 The entity may provide supplementary contextual disclosures on factors that significantly influence gender or diversity group representation, such as the jurisdiction in which employees are located.
- 5 The entity may disclose gender or diversity group representation by employee category in these table formats:

Table 3. Gender Representation of Global Employees (%)

	WOMEN	MEN	...	N/D*
Executive Management				
Non-executive Management				
All Other Employees				

*N/D = not disclosed

Table 4. Diversity Group Representation of Global Employees (%)

	GROUP A	GROUP B	GROUP C	...	N/A*
Executive Management					
Non-executive Management					
All Other Employees					

*N/A = not available or not disclosed

Note to CG-MR-330a.1

- 1 The entity shall describe its policies and programmes for fostering equitable employee representation in its global operations.
 - 1.1 Relevant policies may include maintaining transparency of hiring, promotion and wage practices, ensuring equal employment opportunities, developing and disseminating diversity policies and ensuring management accountability for equitable representation.
 - 1.2 Relevant programmes may include training on diversity, mentorship and sponsorship programmes, partnership with employee resource and advisory groups, and provision of flexible work schedules to accommodate the varying needs of employees.

CG-MR-330a.2. Total amount of monetary losses as a result of legal proceedings associated with employment discrimination

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with discrimination.
- 2 The legal proceedings shall include any adjudicative proceeding in which the entity was involved, 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 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:
 - 5.1 age discrimination, which involves treating an applicant or employee less favourably because of their age;

- 5.2 disability discrimination, which involves treating an applicant or employee with a disability unfavourably because they have a disability;
- 5.3 genetic information discrimination, which involves treating an applicant or employee unfavourably based on their genetic information;
- 5.4 national origin discrimination, which involves treating an applicant or employee unfavourably because they are from a particular country or part of the world, because they are (or appear to be) of a particular ethnicity, or because they have (or appear to have) an accent;
- 5.5 pregnancy discrimination, which involves treating an applicant or employee unfavourably because of pregnancy, childbirth or a medical condition associated with pregnancy or childbirth;
- 5.6 race or colour discrimination, which involve treating an applicant or employee unfavourably because they are of a certain race or because of characteristics associated with race;
- 5.7 religious discrimination, which involves treating an applicant or employee unfavourably because of their religious beliefs;
- 5.8 gender discrimination, which involves treating an applicant or employee unfavourably because of their gender.

Note to **CG-MR-330a.2**

- 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, unfair hiring or promotion practices or biased compensation practices) 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 Sourcing, Packaging & Marketing

Topic Summary

Entities in the Multiline and Specialty Retailers & Distributors industry sell a wide array of products including electronics, clothing, furnishings and cosmetics, all of which have environmental and social impacts throughout their lifecycles. The size and buying power of many entities in this industry allow them to work with their suppliers to source products and packaging with lower lifecycle environmental and social impacts. Entities that perform well in this regard may benefit from increased customer demand and improved margins. To take a proactive approach to engaging suppliers, entities in the industry may employ strategies such as using certification standards and reducing the environmental impacts of packaging.

Metrics

CG-MR-410a.1. Revenue from products third-party certified to environmental or social sustainability standards

- 1 The entity shall disclose its total revenue from products third-party certified to an environmental or social sustainability standard.
 - 1.1 Third-party certification is defined as review by an independent organisation that determines to what extent the final product complies with specific standards.
 - 1.2 A product is considered to be certified to an environmental or social sustainability standard if:
 - 1.2.1 it has achieved certification through a government programme; or
 - 1.2.2 it has achieved certification to third-party environmental or social sustainability standards set by organisations such as the American National Standards Institute (ANSI) or ASTM International, Fair Trade Certified, the Forestry Stewardship Council (FSC), the Sustainable Forestry Initiative (SFI), Rainforest Alliance, BPI, Cradle to Cradle, Green Seal or the Marine Stewardship Council.
 - 1.3 A product with third-party certification shall be considered certified regardless of the level or tier of certification it received.
 - 1.4 The scope of the disclosure includes third-party certifications based on either environmental or social best practices, or both environmental and social best practices.
 - 1.5 If an entity uses a third-party verification or certification scheme, it shall disclose which verifications or schemes are relevant.

CG-MR-410a.2. Discussion of processes to assess and manage risks or hazards associated with chemicals in products

- 1 The entity shall discuss the business and operational processes employed to assess and manage potential risks and hazards associated with the use of materials, chemicals and substances (hereafter 'chemicals') in its products.
 - 1.1 The disclosure shall focus on third-party branded products and private-label products offered for sale by the entity.
 - 1.2 Private-label products include store-brand products packaged for sale under the entity's brand name(s), whether manufactured by the entity or by another manufacturer.
 - 1.3 The entity may discuss the management of chemicals used during manufacturing and production of its products or associated with the production of raw materials or components of its products, but that are not present in finished products.
- 2 The entity shall describe whether its approach to chemicals management is characterised by a hazard-based, risk-based or alternative approach.
 - 2.1 A hazard-based approach to chemicals management is defined as the process of identifying and managing the use of chemicals based on the toxicological characteristics of chemical ingredients as they relate to human health and the environment, including specific exposure routes (for example, oral, dermal or inhalation) and dosages (quantities) of a substance required to cause an adverse effect.
 - 2.2 A risk-based approach to chemicals management is defined as the process of managing the use of chemicals by integrating chemical hazard information with an assessment of chemical exposure (route, frequency, duration and magnitude) to assess the probability and magnitude of the exposure harming a given population.
 - 2.3 Other approaches may include the mixed use of hazard- and risk-based approaches depending on the particular chemical, product category, business segment, operating region or intended product user.
- 3 The entity shall discuss the operational processes employed for chemicals management, such that:
 - 3.1 relevant operational processes that characterise hazard-based approaches include limiting or restricting specific chemicals in its products because the chemicals may be prohibited by a regulation, or because they have known toxicity at levels at or below amounts detectable in finished products (for example, use of a restricted substances list (RSL) for chemicals banned where the entity operates or for chemicals the entity has chosen to limit or eliminate);
 - 3.2 relevant operational processes that characterise risk-based management include evaluating chemical hazard data, conducting assessments of exposure pathways and identifying potential corresponding health risks using screening methods and chemical risk framework tools, such as the World Health Organization (WHO) *Human Health Risk Assessment Toolkit: Chemical Hazards* and the International Council of Chemical Association (ICCA) *Guidance on Chemical Risk Assessment*; and

- 3.3 additional frameworks for hazard- and risk-based chemical assessments include those compiled by the Organisation for Economic Co-operation and Development (OECD).
- 4 The entity shall describe how it prioritises chemicals for reduction or elimination from its products, how it communicates these priorities to suppliers and enforces compliance, and whether it encourages or requires suppliers to consider alternative chemicals in product formulations and design, including through materials substitution assessments such as GreenScreen® For Safer Chemicals.
- 5 The entity shall describe its policies and practices for disclosing full chemical formulations for its products.
- 5.1 The scope of the disclosure includes the channels through which the entity provides the full chemical formulations of products, which include product labels, the entity's website and the entity's online store.
- 5.2 The scope of the disclosure includes third-party branded products and the entity's private-label products.
- 6 The entity shall disclose if it conducts testing or pursues third-party certification to verify the chemical content of its private-label products, or if it selects third-party branded products based on whether they have obtained third-party certification that verifies their chemical content, including which certifications apply to which products.
- 7 The entity may identify chemicals in the product portfolio which it selected for reduction, elimination or assessment, for reasons such as:
- 7.1 incomplete or insufficient toxicity information such that the entity cannot determine if the chemical is safe for use;
- 7.2 pending or anticipated regulations may limit or restrict the use of the chemical in the future;
- 7.3 potential environmental harm, but not harm to human health, the entity wishes to limit; and
- 7.4 being 'of concern' to consumers, customers, regulators or others (for example, nongovernmental organisations or scientific researchers), even if the specific chemical or class of chemicals is unregulated.
- 7.4.1 Specific chemicals to discuss may include those found on the Chemical Footprint Project's Chemicals of High Concern List.
- 8 If the entity has identified specific chemicals for elimination or substitution, it may discuss the time line to achieve its goals, identify which products or product lines will be affected by the elimination or substitution and provide an analysis of progress towards achieving its goals.
- 9 The entity may discuss its selection of products that use chemicals classified as Group 1 carcinogens by the International Agency for Research on Cancer's (IARC) *Monographs on the Evaluation of Carcinogenic Risks to Humans*, and substances listed in the European Council's *Regulation, Evaluation, Authorisation and Restriction of Chemicals* (REACH) regulation, Annex XVII, including its policy for labelling such products.
- 10 If applicable, the entity shall describe its approach to chemicals management in the context of each stage in its private-label products' lifecycles, such as product design and planning, materials and chemicals procurement, manufacturing, finished-goods testing and product labelling and marketing.

- 11 If chemicals management policies and practices vary significantly by business unit, product category or region, the entity shall describe those variations.

CG-MR-410a.3. Discussion of strategies to reduce the environmental impact of packaging

- 1 The entity shall discuss its strategies to reduce the environmental impacts of the packaging, of its products such as optimising packaging weight and volume for a given application or using alternative materials, including those that are renewable, recycled, recyclable, reusable, compostable or degradable.
- 2 Relevant disclosure may include discussion of:
 - 2.1 design innovations, including strategies to optimise the quantity of material used; packaging weight, shape and size; product-to-package ratio; cube utilisation; and void fill;
 - 2.2 minimisation of packaging weight and volume to the amount needed for safety, hygiene and consumer acceptance of the packed product; minimisation of noxious or hazardous constituents; and suitability for reuse, material recycling, energy recovery or composting; and
 - 2.3 performance on The Consumer Goods Forum's *Global Protocol on Packaging Sustainability 2.0* metrics for 'Packaging Weight and Optimization or Assessment' and 'Minimization of Substances Hazardous to the Environment'.
- 3 The entity may discuss its strategies as they relate to primary, secondary and tertiary packaging of its private-label products as well as the packaging of products from its vendors.
 - 3.1 Primary packaging is defined as the packaging designed to come into direct contact with the product.
 - 3.2 Secondary packaging is defined as the packaging designed to contain one or more primary packages together with any protective materials, if required.
 - 3.3 Tertiary packaging is defined as the packaging designed to contain one or more articles or packages, or bulk material, for the purposes of transport, handling or distribution. Tertiary packaging is also known as 'distribution' or 'transport' packaging.
 - 3.4 Private-label products include store-branded products packaged for sale with the retailer's name, whether manufactured by the retailer or by another manufacturer.
- 4 The entity may discuss its use of Life Cycle Assessment (LCA) analysis to reduce environmental impacts and maximise product efficiency, including weight reduction and transportation efficiency.
 - 4.1 Improvements to the environmental efficiency of packaging products may be discussed in terms of LCA functional unit service parameters (time, extent and quality of function).



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