



**SASB  
STANDARDS**

Now part of IFRS Foundation

# Restaurants

## Sustainability Accounting Standard

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FOOD & BEVERAGE SECTOR

### **Sustainable Industry Classification System® (SICS®) FB-RN**

Under Stewardship of the International Sustainability Standards Board

**INDUSTRY STANDARD | VERSION 2023-12**



[sasb.org](https://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.

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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<sup>®</sup> \(SICS<sup>®</sup>\)](#).

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<sup>®</sup>](#). However, companies with substantial business in multiple SICS<sup>®</sup> 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

Entities in the Restaurants industry prepare meals, snacks and beverages to customers' orders for immediate on- and off-premises consumption. Broadly divided into three sub-categories, the restaurant industry includes limited-service eating places, casual full-service eating places and upscale full-service eating places. Limited-service restaurants provide services to customers who order and pay before eating. Fast-food restaurants represent the largest share of the limited-service restaurants segment. Full-service restaurants offer more service, food for consumption primarily on-premises, and typically reflect higher quality food and prices.

# SUSTAINABILITY DISCLOSURE TOPICS & METRICS

**Table 1. Sustainability Disclosure Topics & Metrics**

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-RN-130a.1
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	FB-RN-140a.1
Food & Packaging Waste Management	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	Quantitative	Metric tonnes (t), Percentage (%)	FB-RN-150a.1
	(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, or compostable	Quantitative	Metric tonnes (t), Percentage (%)	FB-RN-150a.2
Food Safety	(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	Quantitative	Percentage (%)	FB-RN-250a.1
	(1) Number of recalls issued and (2) total amount of food product recalled <sup>1</sup>	Quantitative	Number, Metric tonnes (t)	FB-RN-250a.2
	Number of confirmed foodborne disease outbreaks, percentage resulting in public health authority investigation <sup>2</sup>	Quantitative	Number, Percentage (%)	FB-RN-250a.3
Nutritional Content	(1) Percentage of meal options consistent with dietary guidelines and (2) revenue from these options	Quantitative	Percentage (%), Presentation currency	FB-RN-260a.1
	(1) Percentage of children's meal options consistent with dietary guidelines for children and (2) revenue from these options	Quantitative	Percentage (%), Presentation currency	FB-RN-260a.2
	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines for children <sup>3</sup>	Quantitative	Percentage (%)	FB-RN-260a.3

*continued...*

<sup>1</sup> Note to **FB-RN-250a.2** – The disclosure shall include a description of notable recalls and corrective actions implemented in response to events.

<sup>2</sup> Note to **FB-RN-250a.3** – The disclosure shall include a description of foodborne disease outbreaks that were investigated and corrective actions implemented in response to events.

<sup>3</sup> Note to **FB-RN-260a.3** – The disclosure shall include a description of the applicable dietary guidelines and the method used to estimate advertising impressions.

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Labour Practices	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	Quantitative	Percentage (%)	FB-RN-310a.1
	(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	Quantitative	Presentation currency, Percentage (%)	FB-RN-310a.2
	Total amount of monetary losses as a result of legal proceedings associated with (1) labour law violations and (2) employment discrimination <sup>4</sup>	Quantitative	Presentation currency	FB-RN-310a.3
Supply Chain Management & Food Sourcing	Percentage of food purchased that (1) meets environmental and social sourcing standards, and (2) is certified to third-party environmental or social standards	Quantitative	Percentage (%) by cost	FB-RN-430a.1
	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	Quantitative	Percentage (%) by number, Percentage (%) by weight	FB-RN-430a.2
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	n/a	FB-RN-430a.3

**Table 2. Activity Metrics**

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of (1) entity-owned and (2) franchise restaurants	Quantitative	Number	FB-RN-000.A
Number of employees at (1) entity-owned and (2) franchise locations	Quantitative	Number	FB-RN-000.B

<sup>4</sup> Note to **FB-RN-310a.3** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

# Energy Management

## Topic Summary

Restaurant operations have high energy intensity compared with other commercial building operations. Commercial kitchen appliances are energy intensive, and dining areas typically are temperature-controlled for customers. Fossil fuel-based energy production and consumption contribute to significant environmental impacts, including climate change and air pollution, which have the potential indirectly, yet materially, to affect restaurant operations. Regulations on greenhouse gas (GHG) emissions pricing or regulatory incentives for energy efficiency improvements and renewable energy affect conventional and renewable energy prices. Entities that manage energy consumption at entity-owned and franchise locations can decrease operational costs through energy efficiency upgrades and limit exposure to GHG emissions regulations by using renewable energy resources.

## Metrics

### **FB-RN-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 is 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 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 use (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

# Water Management

## Topic Summary

Water is used in restaurant operations, from cooking and dishwashing to cleaning. The restaurant type, size and equipment all affect water use. Restaurants located in water-stressed regions may be exposed to water usage restrictions or face high water costs. Long-term historical increases in the costs of water, and expectations around continued increases because of overconsumption and constrained supplies resulting from population growth, pollution and climate change, indicate the increasing importance of effective water management. Entities can reduce water use and associated operational costs by implementing water-efficient practices and using water-efficient commercial kitchen equipment.

## Metrics

### **FB-RN-140a.1. (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress**

- 1 The entity shall disclose the amount of water, in thousands of cubic metres, withdrawn from all sources.
  - 1.1 Water sources include surface water (including water from wetlands, rivers, lakes and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities or other entities.
- 2 The entity may disclose portions of its supply by source if, for example, significant portions of withdrawals are from non-freshwater sources.
  - 2.1 Fresh water may be defined according to the local laws and regulations where the entity operates. If no legal definition exists, fresh water shall be considered to be water that has less than 1,000 parts per million of dissolved solids.
  - 2.2 Water obtained from a water utility in compliance with jurisdictional drinking water regulations can be assumed to meet the definition of fresh water.
- 3 The entity shall disclose the amount of water, in thousands of cubic metres, consumed in its operations.
  - 3.1 Water consumption is defined as:
    - 3.1.1 Water that evaporates during withdrawal, use and discharge
    - 3.1.2 Water that is directly or indirectly included in the entity's product or service
    - 3.1.3 Water that does not otherwise return to the same catchment area from which it was withdrawn, such as water returned to another catchment area or the sea.

- 4 The entity shall analyse all its operations for water risks and identify activities that withdraw and consume water in locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.
- 5 The entity shall disclose water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn.
- 6 The entity shall disclose water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed.

# Food & Packaging Waste Management

## Topic Summary

Restaurants produce waste in two main forms: food and packaging. The food preparation process as well as food unconsumed generate food waste. Food waste results in resource loss such as water, energy, land, labour and capital, and produces GHG emissions because of decomposition. Moreover, food ingredient deliveries to restaurants are a significant source of packaging waste. Packaging waste includes packaging received from suppliers and packaging discarded by consumers. In addition, limited-service restaurants make heavy use of disposable tableware to serve customers. Applicable jurisdictional laws or regulations around packaging may continue evolving to reduce packaging or improve recyclability or biodegradability of packaging. Entities that can anticipate new regulations may witness not only a positive effect on brand reputation, but they also may reduce their compliance costs. Entities can reduce waste handling costs and improve operational efficiency by reducing waste through various methods, including food recovery, diverting waste from landfills and packaging reclamation programmes.

## Metrics

### **FB-RN-150a.1. (1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted**

- 1 The entity shall disclose (1) the total weight of waste generated, in metric tonnes.
  - 1.1 Waste is defined as discarded material for which an entity has no further use and that would otherwise be discarded or released into the environment by the entity.
  - 1.2 The scope of waste shall include solid waste such as durable goods, nondurable goods, containers and packaging, food waste, and miscellaneous inorganic material.
  - 1.3 The scope of waste shall be limited to waste handled within the entity's facilities, such as food waste, packaging received from suppliers and waste discarded in facilities by customers.
  - 1.4 The scope of waste excludes (a) waste discarded off-site by customers and (b) surplus food from ingredients or prepared food that is unusable by the entity or unsaleable to customers, but still may be fit for human consumption, and may be donated.
- 2 The entity shall disclose (2) the percentage of total waste, by weight, that comprises food waste.
  - 2.1 Food waste is defined as food and inedible parts for which the entity has no further use and removed from the food supply chain.
    - 2.1.1 Food is defined as a substance—whether processed, semi-processed or raw—intended for human consumption. Food includes drink and any substance used in the manufacture, preparation or treatment of food. Food also includes material that has spoiled and therefore is not fit for human consumption. It excludes cosmetics, tobacco or substances used only as drugs. It excludes processing agents used along the food supply chain, for example, water to clean or cook raw materials, or cooking oil used in food preparation.

- 2.1.2 Inedible parts are defined as components associated with a food that, in a particular food supply chain, are not intended to be consumed by humans. Examples of inedible parts associated with food could include bones, rinds and pits/stones. Inedible parts do not include packaging. What is considered inedible varies among entities, changes over time, and is influenced by a range of variables including culture, socio-economic factors, availability, price, technological advances, international trade and region.
- 2.2 The percentage shall be calculated as the weight of food waste divided by the total weight of waste.
- 3 The entity shall disclose (3) the percentage of waste diverted, by weight.
  - 3.1 Waste diversion is the process of reducing waste from landfills, through efforts that may include reusing, recycling or remanufacturing.
    - 3.1.1 Reused materials are defined as those recovered products or components of products used for the same, or a substantially similar, purpose as that for which they were conceived.
    - 3.1.2 Recycled and remanufactured materials are defined as waste materials that have been reprocessed or treated through production or manufacturing processes and made into a final product or a component for incorporation into a product. For the purposes of this disclosure, materials that are composted and cooking oil that is recycled for energy use shall be considered as recycled materials.
  - 3.2 The percentage diverted shall be calculated as the sum of the (a) weight of waste material reused, recycled or remanufactured through treatment or processing by the entity and (b) the weight of waste material sent externally for further reuse, recycling or remanufacturing divided by the total weight of waste material generated by the entity.

**FB-RN-150a.2. (1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, or compostable**

- 1 The entity shall disclose (1) the total weight of packaging purchased by the entity, in metric tonnes.
  - 1.1 The scope of the disclosure includes any packaging intended to be given to customers (take-out food packaging) as well as corrugated cardboard and other secondary packaging materials used by the entity behind the counter.
  - 1.2 The scope shall include entities owned or controlled by the organisation as well as franchise locations.
- 2 The entity shall disclose (2) the percentage of packaging, by weight, made from recycled or renewable materials.
  - 2.1 Recycled content is defined, consistent with definitions in ISO 14021, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*, as the proportion, by mass, of recycled or recovered material in a product or packaging, for which only pre-consumer and post-consumer materials shall be considered as recycled content.

- 2.1.1 Recycled material is defined as material reprocessed from recovered (or reclaimed) material through a manufacturing process and made into a final product or a component to be integrated into a product.
- 2.1.2 Recovered material is defined as material that would have otherwise been discarded as waste or used for energy recovery, but which has instead been collected and recovered (or reclaimed) as a material input, in lieu of new primary material, for a recycling or manufacturing process.
- 2.1.3 Pre-consumer material is defined as material diverted from the waste stream during a manufacturing process. This definition excludes materials such as rework, regrind or scrap that are generated in a process and are capable of being reclaimed within the same process in which they were generated.
- 2.1.4 Post-consumer material is defined as material generated by households or by commercial, industrial and institutional facilities in their role as end-users of a product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.
- 2.2 Renewable materials are defined, consistent with The Consumer Goods Forum's *Global Protocol on Packaging Sustainability 2.0*, as those composed of biomass from a living source and replenished at a rate equal to or greater than the rate of depletion, such that:
  - 2.2.1 biomass is defined as a material of biological origin, excluding peat and materials embedded in geological formations or fossilised, but including organic material (both living and dead) from above and below ground, such as trees, crops, grasses, tree litter, algae, animals and waste of biological origin (for example, manure), consistent with the *Global Protocol on Packaging Sustainability 2.0*.
- 2.3 The entity shall calculate the percentage as the weight of packaging made from recycled or renewable materials divided by the total weight of all packaging used by the entity.
  - 2.3.1 For packaging materials that contain both recycled and virgin parts, or are made from both renewable and non-renewable resources, the entity shall classify a portion of the material as recycled or renewable based on an estimate of the weight of each portion.
- 3 The entity shall disclose (3) the percentage of packaging, by weight, that is recyclable, reusable or compostable.
  - 3.1 A product or packaging is defined as 'recyclable' if it can be diverted from the waste stream through available processes and programmes and can be collected, processed and returned to use in the form of raw materials or products, consistent with definitions in ISO 14021.
  - 3.2 A product or packaging is defined as 'reusable' if it is conceived and designed to accomplish, within its lifecycle, a specific number of trips, rotations or uses for the same purpose for which it was conceived. No product or packaging shall be claimed to be reusable unless the product or packaging can be reused for its original purpose. The claim shall only be made if (a) a programme exists for collecting the used product or packaging and reusing it; or (b) facilities or products exist that allow the purchaser to reuse the product or package. This definition is derived from ISO 14021.

- 3.3 A material is defined as 'compostable' if it undergoes degradation by biological processes during composting to yield CO<sub>2</sub>, water, inorganic compounds and biomass at a rate consistent with other known compostable materials and that leaves no visible, distinguishable or toxic residue. Compostable plastics are defined further by ASTM Standard D6400, *Standard Specification for Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities*.
- 3.4 The percentage is calculated as the weight of recyclable, reusable or compostable packaging divided by the total weight of all packaging used by the entity.
- 4 The entity may disaggregate the disclosure requested above by major packaging substrate (for example, wood fibre, glass, metal and petroleum-based).

# Food Safety

## Topic Summary

Both food preparation methods and the quality of ingredients can impact food safety in the Restaurants industry. Restaurant food safety is especially challenging to manage with a broad supply chain. The global nature of the industry as well as the franchising model make ensuring the safety of food supplies difficult for restaurant entities. Failure to monitor the quality of supplied products may increase an entity's risk of supply disruptions as well as negative publicity. Food safety issues, such as foodborne illness concerns, in either entity-owned or franchise-operated locations can affect a restaurant's reputation. Reputational damage from food safety issues tends to have long-term consequences. Entities that adhere to industry standards for food preparation and safety may protect shareholder value better.

## Metrics

### **FB-RN-250a.1. (1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations**

- 1 The entity shall disclose the percentage of restaurants inspected for food safety by a food safety oversight body at least once during the reporting period.
  - 1.1 The scope of inspections covers those carried out by a health or food safety oversight body, including any authorised national health organisation with jurisdiction over compliance with health codes and regulations.
  - 1.2 The percentage shall be calculated as the number of restaurants inspected at least once by a food safety oversight body during the reporting period divided by the total number of restaurants in operation during the reporting year.
- 2 The entity shall disclose the percentage of its inspected restaurants that received critical violations from a food safety oversight body.
  - 2.1 A critical violation is defined as any violation issued by a food safety oversight body that, if left uncorrected, poses a clear risk of foodborne illness transmission, food product adulteration or food-contact surface contamination.
  - 2.2 The percentage shall be calculated as the number of inspected restaurants that received critical violations during the reporting period divided by the total number of restaurants inspected at least once by a food safety oversight body during the reporting period.
- 3 The scope of the disclosure shall include both entity-owned and franchise locations.
- 4 The entity may discuss how it ensures food safety in its operations in regions where inspections are not conducted routinely.



## **FB-RN-250a.2. (1) Number of recalls issued and (2) total amount of food product recalled**

- 1 The entity shall disclose (1) the total number of food safety-related recalls it issued during the reporting period, including voluntary and involuntary recalls.
  - 1.1 A food safety-related recall is defined as the removal of a marketed product that occurs if a food may reasonably be believed to cause consumers to become ill.
  - 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 food safety standards, when a food safety-related defect in a product is identified or during instances of import refusal.
  - 1.3 Voluntary recalls are those initiated by the entity to remove products from the market for food safety-related concerns.
- 2 The entity shall disclose (2) the total weight, in metric tonnes, of food product subject to recalls.
- 3 The scope of the disclosure shall include both entity-owned and franchise locations.
- 4 The entity may separately disclose the percentage of recalls that were (a) voluntary and (b) involuntary.

### **Note to FB-RN-250a.2**

- 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 illnesses 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 quantity of food products 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 (for example, legal proceedings or fatalities).

## **FB-RN-250a.3. Number of confirmed foodborne disease outbreaks, percentage resulting in public health authority investigation**

- 1 The entity shall disclose the total number of incidents of confirmed foodborne disease outbreaks associated with its restaurants.

- 1.1 Foodborne disease is defined as sickness resulting from various disease-causing microbes or pathogens, poisonous chemicals, or other toxins that can contaminate foods.
  - 1.2 Foodborne disease outbreak is defined as two or more cases of foodborne illness occurring during a limited period with the same organism, and that are associated with either the same food-service operation, such as a restaurant, or the same food product.
    - 1.2.1 In the case of botulism, a single case is considered an outbreak because of the severity of the illness and the possibility that a source food may cause others to become seriously ill.
  - 1.3 Confirmed foodborne disease outbreaks are defined as those investigated by applicable jurisdictional public health officials and found to be valid cases of foodborne illness outbreak.
- 2 The entity shall disclose the percentage of confirmed foodborne illness outbreaks that resulted in an investigation by applicable jurisdictional legal or regulatory public health authorities.
    - 2.1 Outbreaks that resulted in a public health authority investigation may include those that involve large numbers of people, severe or unusual illness, or widespread outbreaks that affect many areas at once.
    - 2.2 The scope excludes those investigations conducted exclusively at a local level and successfully concluded.
    - 2.3 The percentage is calculated as the number of confirmed foodborne disease outbreaks that reached a level of severity resulting in a public health authority investigation divided by the total number of confirmed foodborne disease outbreaks that occurred within the entity's jurisdiction during the reporting period.
  - 3 The scope of the disclosure shall include both entity-owned and franchise locations.
  - 4 The entity may describe its approach to ensuring food safety in its restaurants.
    - 4.1 Relevant discussion may include internal food safety audits, implementation of response measures, or other measures to ensure compliance with jurisdictional food safety guidelines.

**Note to FB-RN-250a.3**

- 1 The entity shall provide a discussion of foodborne disease outbreaks investigated by the applicable jurisdictional legal or regulatory public health authorities and associated corrective actions implemented in response to events.
  - 1.1 Relevant information to provide includes:
    - 1.1.1 description and cause of the foodborne disease outbreak;
    - 1.1.2 the cost to remedy the issue;
    - 1.1.3 corrective actions; and
    - 1.1.4 any other significant outcomes (for example, legal proceedings or customer fatalities).

# Nutritional Content

## Topic Summary

Public health concerns around obesity have focused on the Restaurants industry. Restaurants are increasingly encouraged to improve the nutritional content of menu offerings and to increase transparency around the content of menu offerings, such as publishing calorie counts. Demand in the Restaurants industry is increasingly driven by consumer preferences for choices that are more healthful. Entities that can offer more nutritious menu options may capture new markets for health-conscious consumers and improve consumer market share. A higher share of nutritious options may have a beneficial effect on an entity's reputation and revenue growth in the long term.

## Metrics

### **FB-RN-260a.1. (1) Percentage of meal options consistent with dietary guidelines and (2) revenue from these options**

- 1 The entity shall disclose (1) the percentage of meal options consistent with applicable jurisdictional legal or regulatory dietary guidelines.
  - 1.1 Dietary guidelines include those provided by governmental agencies or regulators that contain daily nutritional values.
  - 1.2 A meal option is defined as an entrée, side and beverage for limited-service restaurants and an entrée and a beverage for full-service restaurants.
    - 1.2.1 The entity shall use menu items commonly paired together by customers, advertised together as combinations, or placed together as a specially promoted meal combination to determine possible meal combinations.
    - 1.2.2 For restaurants where choices are generally à la carte, the entity shall use a consistent approach for calculating meal options using menu items generally paired together as meals.
  - 1.3 The entity shall use the nutritional content for the standard menu items served to the customer by default, without a request for item or ingredient substitutes or additions, to calculate the nutritional content of a meal option.
  - 1.4 The percentage is calculated as the number of possible combinations of meal options consistent with one-third of the daily nutritional values in the applicable dietary guidelines, divided by the total number of possible combinations of meal options offered by the entity.
- 2 The entity shall disclose (2) its total revenue from the combinations of meal options consistent with the applicable dietary guidelines.
- 3 The scope of the disclosure shall include both entity-owned and franchise locations.

- 4 If meal options in a portion of an entity's operations are not tracked in such a manner that allows for precise measurement, estimation is acceptable.

- 4.1 In such a case, the entity shall disclose the estimation method used to calculate the sales of combinations of meal options and the percentage of operations for which it was employed.

## **FB-RN-260a.2. (1) Percentage of children's meal options consistent with dietary guidelines for children and (2) revenue from these options**

- 1 The entity shall disclose (1) the percentage of children's meal options consistent with applicable jurisdictional dietary guidelines for children.

- 1.1 A children's meal option is one directly targeted at children.

- 1.1.1 The definition of children shall be based on applicable jurisdictional laws or regulations.

- 1.1.2 If an entity's jurisdiction has no definition of children, then children are defined as age 12 and under.

- 1.1.3 The entity shall disclose the applicable jurisdictional laws or regulations used.

- 1.2 Dietary guidelines for children are defined as jurisdictional regulations, or industry guidelines or criteria developed to promote healthy diets among children. Dietary guidelines for children include those provided by governmental agencies or regulators that contain daily nutritional values for children.

- 1.3 A meal option is defined as an entrée, side and beverage for limited-service restaurants and an entrée and a beverage for full-service restaurants.

- 1.3.1 The entity shall use menu items commonly paired together by customers, advertised together as combinations, or placed together as a specially promoted meal combination to determine possible meal combinations.

- 1.3.2 For restaurants where choices are generally à la carte, the entity shall use a consistent approach for calculating meal options using menu items generally paired together as meals.

- 1.4 The entity shall use the nutritional content for the standard menu items served to the customer by default, without a request for item or ingredient substitutes or additions, to calculate the nutritional content of a meal option.

- 1.5 The percentage is calculated as the number of possible combinations of meal options consistent with one-third of the daily nutritional values in the applicable dietary guidelines, divided by the total number of possible combinations of meal options offered by the entity.

- 2 The entity shall disclose (2) its total revenue from the combinations of meal options consistent with the applicable dietary guidelines for children.

- 3 The scope of the disclosure shall include sales from both entity-owned and franchise locations.

4 If children's meal options in a portion of an entity's operations are not tracked in such a manner that allows for precise measurement, estimation is acceptable.

4.1 In such a case, the entity shall disclose the estimation method used to calculate the sales of combinations of children's meal options and the percentage of operations for which it was employed.

### **FB-RN-260a.3. Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines for children**

1 The entity shall disclose (1) the percentage of advertising impressions made on children.

1.1 An advertising impression is a measure of the number of times an advertisement is seen, heard, watched or read.

1.1.1 Advertising impressions may include those made through media such as television, radio, print, the internet (entity-owned and third-party websites), mobile apps, interactive games (including advergames), video games, computer games, DVDs and other video formats, and through word-of-mouth, licensed characters, celebrity endorsements and film tie-ins.

1.2 For the purposes of this disclosure, the definition of children shall be based on applicable jurisdictional laws or regulations.

1.2.1 If an entity's jurisdiction has no definition of children, then children are defined as age 12 and under.

1.2.2 The entity shall disclose the applicable jurisdictional laws or regulations used.

1.3 The percentage is calculated as the number of advertising impressions made on children divided by the total number of advertising impressions made.

1.3.1 The number of advertising impressions made on children is calculated as the expected share of children in the audience (viewers, listeners, readers or visitors) at the time of the media buy multiplied by the expected total number of advertising impressions made, regardless of whether the advertising is primarily directed at children.

1.3.2 The number of advertising impressions made on children shall be calculated regardless of whether the expected share of children in the audience is above or below any quantitative thresholds used to determine whether the advertising is primarily directed at children, based on applicable jurisdictional laws or regulations.

2 The entity shall disclose (2) the percentage of advertising impressions made on children that promote products which meet international, national, regional or industry dietary guidelines for children.

2.1 Dietary guidelines for children are defined as international, national, regional or industry guidelines or criteria developed to promote healthy diets among children. Dietary guidelines must be publicly available and contain, at minimum, quantitative thresholds for the health attributes of applicable products or product categories.

- 2.2 The percentage is calculated as the number of advertising impressions made on children that promote products that meet applicable dietary guidelines for children, divided by the total number of advertising impressions made on children.

Note to **FB-RN-260a.3**

- 1 The entity shall disclose the specific dietary guidelines for children used to calculate the percentage of advertising impressions made on children that promote products that meet such guidelines.
- 2 The entity shall disclose its method for collecting data and estimating the number of advertising impressions made on children. Data collection may include:
  - 2.1 gross rating points and target ratios for television, radio and print advertising;
  - 2.2 average visits per month, average page visits per month and targeted index by age for entity-owned websites; or
  - 2.3 total number of advertising impressions viewed and child audience share for third-party websites, mobile apps, interactive games (including advergames), video games and computer games.

# Labour Practices

## Topic Summary

The Restaurants industry is labour-intensive, and many of the staff are hourly, part-time or seasonal workers. The industry is among the top job creators and is an entry point for young and migrant workers to join the workforce. Restaurant employees in franchised or licensed locations may be employed by a third party. In addition, because many restaurant chains exist across continents, ensuring consistent labour standards can be a challenge for restaurant employees in both entity-owned and franchise locations. Labour issues at franchises affect brand image because customers cannot make a distinction between entity-owned and franchised restaurants. Restaurants that can effectively manage human capital by offering competitive wages, safe working environments and other opportunities for professional growth may improve employee morale while reducing turnover rates and the associated administrative costs involved in employee acquisition and training.

## Metrics

### **FB-RN-310a.1. (1) Voluntary and (2) involuntary turnover rate for restaurant employees**

- 1 The entity shall disclose the employee turnover rate as a percentage for restaurant employees.
  - 1.1 Restaurants employees are defined as employees that work on-site at a restaurant.
  - 1.2 Turnover shall be disclosed separately for (1) voluntary and (2) involuntary departures.
- 2 The entity shall calculate (1) the voluntary turnover rate as the number of employee-initiated voluntary separations (for example, resignations or retirements) during the reporting period, divided by the average number of workers employed during the reporting period.
- 3 The entity shall calculate (2) the 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.
- 4 The disclosure scope includes entity-owned restaurants.
- 5 The disclosure scope excludes franchise restaurants.
- 6 The disclosure scope excludes corporate staff and executives.

### **FB-RN-310a.2. (1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region**

- 1 The entity shall disclose (1) the average hourly wage it paid to restaurant employees for each region for which it conducts segment financial reporting.
  - 1.1 Restaurant employees are defined as non-manager employees at entity-owned and franchise locations.

- 1.2 The entity may refer to jurisdictional occupation classification systems or the International Standard of Classifications of Occupations (ISCO) for additional guidance regarding employee classification.
- 1.3 The average hourly wage shall be calculated as the total wages, including tips but excluding overtime pay, paid to restaurant employees for the reporting period divided by the number of regular hours worked, excluding overtime hours, by restaurant employees during the reporting period.
- 2 The entity shall disclose (2) the percentage of restaurant employees earning at (but not above) the minimum wage before tips.
  - 2.1 Minimum wage is defined as the jurisdictionally-mandated minimum wage applicable for each employee.
  - 2.2 For jurisdictions with no minimum wage requirement, the 10th percentile hourly wage of all wage earners in that jurisdiction shall be used.
  - 2.3 The entity shall calculate the percentage by dividing the number of restaurant employees that earn minimum wage by the total number of restaurant employees.
- 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 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.

**FB-RN-310a.3. Total amount of monetary losses as a result of legal proceedings associated with (1) labour law violations and (2) employment discrimination**

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with (1) labour law violations and (2) employment discrimination.
  - 1.1 'Labour violation' is defined as violations which may include those relating to wages, work hours, overtime, and meal and rest breaks.
  - 1.2 Employment discrimination is defined as discrimination based on age, disability, genetic information, national origin, pregnancy, race/colour, religion or gender.



- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, whether before a court, a regulator, an arbitrator or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement, verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, governmental, business or individual).
- 4 The scope of the disclosure shall include entity-owned and franchise locations.
- 5 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.
- 6 The scope of the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to **FB-RN-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.

# Supply Chain Management & Food Sourcing

## Topic Summary

Restaurants source ingredients and products from a wide range of suppliers. Supply chain management is crucial for restaurants to ensure food safety, to protect their reputations and increase revenue. Sourcing quality ingredients to maintain a consistent level of quality across different locations can be operationally challenging and exacerbated by the global nature of the industry. Demand from the food and beverage industry, including restaurants, drives and shapes agricultural production, indicating that actions by industry players have a larger impact on society. Therefore, sustainable and ethical sourcing by industry entities may be necessary to ensure future supply and to minimise lifecycle impacts of entity operations. Sourcing from suppliers that have high quality standards, employ environmentally sustainable farming methods, and honour labour rights may better create value over the long-term. By increasing the amount of food supply sourced in conformance with environmental and social standards, as well as conformance with animal welfare standards and best practices, restaurant operators may be able to maintain food quality, manage food safety issues, enhance their reputation and expand their market share.

## Metrics

### **FB-RN-430a.1. Percentage of food purchased that (1) meets environmental and social sourcing standards, and (2) is certified to third-party environmental or social standards**

- 1 The entity shall disclose (1) the percentage of food purchased that meets both environmental and social sourcing standards.
  - 1.1 Environmental standards are defined as standards that address environmental impacts related to food production, such as protection of natural resources and improvements in resource efficiency.
  - 1.2 Social standards are defined as standards that address social impacts related to food production, such as treatment of workers and community, animal health and welfare, and food quality and safety.
  - 1.3 The percentage shall be calculated as the cost of food (and food products) purchased that meets environmental and social standards divided by the total cost of food (and food products) purchased.
  - 1.4 The scope of environmental or social standards includes programmes, guidelines, best practices, criteria, codes of conduct and certifications developed internally, through industry initiatives or by third-parties.
  - 1.5 Examples of environmental and social sourcing standards include:
    - 1.5.1 Global Roundtable for Sustainable Beef Principles & Criteria for Defining Global Sustainable Beef
    - 1.5.2 IDH Sustainability Initiative Fruits and Vegetables (SIFAV)
    - 1.5.3 Sustainable Agriculture Initiative (SAI) Platform, Principles & Practices for Dairy Farming, Sustainable Fruit Production, Sustainable Green Coffee Production, and Sustainable Production of Arable & Vegetable Crops

- 2 The entity shall disclose (2) the percentage of food purchased that has been certified to a third-party environmental or social standard.
  - 2.1 The percentage shall be calculated as the cost of food (and food products) purchased that has been certified to a third-party environmental or social standard divided by the total cost of food (and food products) purchased.
  - 2.2 Examples of certifications to third-party environmental and social standards include:
    - 2.2.1 Fairtrade International
    - 2.2.2 Fair Trade USA
    - 2.2.3 Marine Stewardship Council
    - 2.2.4 Rainforest Alliance Certified
    - 2.2.5 Roundtable on Responsible Soy Association (RTRS)
    - 2.2.6 Roundtable on Sustainable Palm Oil (RSPO)
- 3 The entity shall generally indicate which third-party environmental and social standards it uses.

**FB-RN-430a.2. Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates**

- 1 The entity shall disclose (1) the percentage of eggs purchased that originated from a cage-free environment.
  - 1.1 Eggs that originated from a cage-free environment are defined as those produced by hens housed in a space that allows for unrestricted access to food and water and provides freedom to roam within the space during the laying cycle.
    - 1.1.1 The scope also includes eggs that originated from a free-range environment.
  - 1.2 The percentage shall be calculated as the number of eggs purchased that originated from a cage-free environment divided by the total number of eggs purchased.
- 2 The entity shall disclose (2) the percentage of pork, by weight, that was produced without the use of gestation crates.
  - 2.1 A gestation crate is defined as an enclosure for housing an individual breeding sow, if the enclosure can enclose an unmoving sow, but is restrictive enough to prevent dynamic movements, such as turning around. Gestation crates are typically non-bedded, with concrete floors and metal stalls.
  - 2.2 The percentage shall be calculated as the weight of pork purchased that was produced without using a gestation crate divided by the total weight of pork purchased.

- 2.2.1 Weight of production shall be calculated using carcass weight or retail weight (where the entity has sourced pork or pork products already processed).

- 3 The scope of the disclosure shall include eggs and pork purchased for entity-owned and franchise locations.

### **FB-RN-430a.3. Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare**

- 1 The entity shall discuss its strategic approach to managing its environmental and social risks present within, or which may arise out of, its food and food products supply chain.

- 1.1 Environmental and social risks may include:

- 1.1.1 Impacts on crop and livestock production because of climate change (for example, changing average temperatures and water stress) that may affect cost and availability of produce, meat, poultry, dairy and processed food products

- 1.1.2 Animal feed price increases resulting from environmental and social factors or tightening environmental regulations that may have price impacts on meat, poultry and dairy

- 1.1.3 Fuel economy regulations that affect transportation costs

- 1.1.4 Labour rights and immigration reforms that affect food prices and availability

- 1.1.5 International trade barriers and/or varying levels of food safety oversight in a global market

- 1.1.6 Commercial catch limits that could affect the supply of seafood products

- 1.1.7 Animal welfare, human rights or related supply chain incidents that may result in reputational damage

- 1.2 Relevant strategies to discuss may include supplier screening, diversification of suppliers, supplier training programmes on best environmental management practices, supplier engagement on labour and human rights issues, and maintenance of a supply chain code of conduct, supply chain audits and certifications.

- 2 The entity may identify which products or product lines present risks to its operations, the risks represented, and the strategies the entity uses to mitigate such risks.

- 3 The entity shall discuss its animal welfare standards applicable to its supply chain.

- 3.1 Animal welfare standards are defined as policies for beef, pork, poultry or dairy production conditions, including:

- 3.1.1 Animal treatment and handling

- 3.1.2 Housing and transportation conditions

- 3.1.3 Slaughter facilities and procedures

3.1.4 Use of antibiotics and hormones

3.2 Discussion shall include, but is not limited to:

3.2.1 Any targets the entity has related to animal welfare standards and its progress toward those targets

3.2.2 Any requirements for suppliers related to animal welfare standards

3.2.3 How, if in any way, animal welfare standards are addressed in supplier contracts

4 The entity shall describe its use of animal welfare certifications. Certifications may include: Animal Welfare Approved, Certified Humane Program, Food Alliance Certified and Global Animal Partnership 5-Step Animal Welfare Rating Program.

5 The entity may disclose the percentage of animal protein sold, by animal protein type, that is produced without medically important antibiotics.

5.1 The percentage is calculated as the carcass (or dressed) weight of animal protein purchased that did not receive medically important antibiotics at any stage of its life divided by the total carcass (or dressed) weight of animal protein purchased.



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