



**SASB
STANDARDS**

Now part of IFRS Foundation

Food Retailers & Distributors

Sustainability Accounting Standard

FOOD & BEVERAGE SECTOR

Sustainable Industry Classification System® (SICS®) FB-FR

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



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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 Food Retailers & Distributors industry consists of entities engaged in wholesale and retail sales of food, beverage and agricultural products. Store formats include retail supermarkets, convenience stores, warehouse supermarkets, liquor stores, bakeries, natural food stores, specialty food stores, seafood stores and distribution centres. Entities may specialise in one type of store format or have facilities that contain many formats. Products typically are sourced worldwide and include fresh meat and produce, prepared foods, processed foods, baked goods, frozen and canned foods, non-alcoholic and alcoholic beverages, and a wide selection of household goods and personal care products. Food retailers also may produce or sell private-label products.

Note: The standard discussed below is for 'pure-play' food retail and distribution entities. Many major food retailers also have pharmacy operations and other retail operations. There exist separate standards for the Drug Retailers (HC-DR) and Multiline and Specialty Retailers & Distributors (CG-MR) industries. Entities involved in multiple lines of business also should 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
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-FR-110a.1
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	Quantitative	Metric tonnes (t) CO ₂ -e	FB-FR-110b.1
	Percentage of refrigerants consumed with zero ozone-depleting potential	Quantitative	Percentage (%) by weight	FB-FR-110b.2
	Average refrigerant emissions rate	Quantitative	Percentage (%)	FB-FR-110b.3
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-FR-130a.1
Food Waste Management	(1) Amount of food waste generated, (2) percentage diverted from the waste stream ¹	Quantitative	Metric tonnes (t), Percentage (%)	FB-FR-150a.1
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected ²	Quantitative	Number, Percentage (%)	FB-FR-230a.1
	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FB-FR-230a.2
Food Safety	High-risk food safety violation rate	Quantitative	Rate	FB-FR-250a.1
	(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products ³	Quantitative	Number, Percentage (%)	FB-FR-250a.2
Product Health & Nutrition	Revenue from products labelled or marketed to promote health and nutrition attributes	Quantitative	Presentation currency	FB-FR-260a.1
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	n/a	FB-FR-260a.2

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¹ Note to **FB-FR-150a.1** – The disclosure shall include the quantification methods used to calculate the amount of food waste generated.

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

³ Note to **FB-FR-250a.2** – The disclosure shall include notable recalls such as those that affected a significant number of customers or those related to serious illnesses, injuries, or fatalities.

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Product Labelling & Marketing	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	Quantitative	Number	FB-FR-270a.1
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices ⁴	Quantitative	Presentation currency	FB-FR-270a.2
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Presentation currency	FB-FR-270a.3
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 (%)	FB-FR-310a.1
	Percentage of active workforce employed under collective agreements	Quantitative	Percentage (%)	FB-FR-310a.2
	(1) Number of work stoppages and (2) total days idle ⁵	Quantitative	Number, Days idle	FB-FR-310a.3
	Total amount of monetary losses as a result of legal proceedings associated with: (1) labour law violations and (2) employment discrimination ⁶	Quantitative	Presentation currency	FB-FR-310a.4
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standards	Quantitative	Presentation currency	FB-FR-430a.1
	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	Quantitative	Percentage (%) by revenue	FB-FR-430a.2
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	n/a	FB-FR-430a.3
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	FB-FR-430a.4

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of (1) retail locations and (2) distribution centres	Quantitative	Number	FB-FR-000.A

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⁴ Note to **FB-FR-270a.2** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

⁵ Note to **FB-FR-310a.3** – The disclosure shall include a description of the reason for each work stoppage, impact on operations and any corrective actions taken.

⁶ Note to **FB-FR-310a.4** – The disclosure shall include a description of fines and settlements and corrective actions implemented in response to legal proceedings.

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ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Total area of (1) retail space and (2) distribution centres	Quantitative	Square metres (m ²)	FB-FR-000.B
Number of vehicles in commercial fleet	Quantitative	Number	FB-FR-000.C
Tonne-kilometres travelled	Quantitative	Tonne-kilometres	FB-FR-000.D

Fleet Fuel Management

Topic Summary

Entities in the Food Retailers & Distributors industry own and operate vehicle fleets to deliver products between its distribution and retail locations. The fuel consumption of vehicle fleets is a significant industry expense, both in terms of operating costs and associated capital expenditures. Fossil fuel consumption can contribute to environmental impacts, including climate change and pollution. These environmental impacts may affect food retailers and distributors through regulatory exposure. Efficiencies gained in fuel use can reduce costs, mitigate exposure to fossil fuel price volatility and limit the carbon footprint associated with storage and transportation. Short-term capital expenditures in fuel-efficient fleets and more energy efficient technologies may be outweighed by long-term operational savings and decreased exposure to regulatory risks.

Metrics

FB-FR-110a.1. Fleet fuel consumed, percentage renewable

- 1 The entity shall disclose the total amount of fuel consumed by its fleet vehicles as an aggregate figure, in gigajoules (GJ).
 - 1.1 The calculation methodology for fuel consumed shall be based on actual fuel consumed as opposed to design parameters.
 - 1.2 Acceptable calculation methodologies for fuel consumed may include methodologies based on:
 - 1.2.1 Adding fuel purchases made during the reporting period to beginning inventory at the start of the reporting period, less any fuel inventory at the end of the reporting period;
 - 1.2.2 Tracking fuel consumed by vehicles; and
 - 1.2.3 Tracking fuel expenses.
- 2 The entity shall disclose the percentage of the total amount of fuel consumed by its fleet vehicles that is renewable fuel.
 - 2.1 Renewable fuel generally is defined as fuel that meets all the following requirements:
 - 2.1.1 Produced from renewable biomass;
 - 2.1.2 Used to replace or reduce the quantity of fossil fuel present in a transportation fuel, heating oil or jet fuel; and
 - 2.1.3 Achieved net greenhouse gas (GHG) emissions reduction on a life cycle basis.
 - 2.2 The entity shall disclose the standard or regulation used to determine if a fuel is renewable.

- 2.3 The percentage shall be calculated as the amount of renewable fuel consumed by the entity's fleet vehicles (in GJ) divided by the total amount of fuel consumed by the entity's fleet vehicles (in GJ).
- 3 The scope of disclosure includes fuel consumed by vehicles owned or operated by the entity.
- 4 The scope of disclosure excludes fuel consumed in the transportation of the entity's products by third parties.
- 5 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).
- 6 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).

Air Emissions from Refrigeration

Topic Summary

Emissions of refrigeration chemicals from equipment used to store and display perishable foods pose unique regulatory risks for the Food Retailers & Distributors industry. International regulations on hydrochlorofluorocarbons (HCFCs) aim to mitigate damage by HCFCs to the earth's ozone layer. Additionally, many common HCFCs and hydrofluorocarbons (HFCs) are highly potent greenhouse gases (GHGs), which increases the industry's exposure to climate change-related regulations. Regulators can assess penalties on entities that violate emissions standards. Entities may be required to upgrade or replace equipment, making capital expenditures to reduce emissions or replace existing refrigerants with potentially costlier but less environmentally-damaging alternatives.

Metrics

FB-FR-110b.1. Gross global Scope 1 emissions from refrigerants

- 1 The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃)—that originated from the use of refrigerants.
 - 1.1 Emissions of all GHGs shall be consolidated and disclosed in metric tonnes of carbon dioxide equivalents (CO₂-e) and calculated in accordance with published 100-year time horizon global warming potential (GWP) values. To date, the preferred source for GWP values is the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2014).
 - 1.2 Gross emissions are GHGs emitted into the atmosphere before accounting for offsets, credits or other similar mechanisms that have reduced or compensated for emissions.
 - 1.3 Refrigerants are defined as substances or mixtures used in a heat pump or refrigeration cycle for the purpose of absorbing and releasing heat.
- 2 Scope 1 emissions are defined and shall be calculated according to the methodology contained in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (GHG Protocol), Revised Edition, March 2004, published by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD).
 - 2.1 The scope of emissions includes all direct emissions of GHGs resulting from the entity's use of commercial stationary and mobile refrigerants in retail locations, distribution centres and its transportation fleet.
 - 2.2 For the purpose of this disclosure, the scope of emissions excludes direct emissions of GHGs from the combustion of fossil fuels, non-refrigerant process emissions and other sources unrelated to refrigerants.

- 2.3 Acceptable calculation methodologies include those that conform to the GHG Protocol as the base reference, but provide additional guidance, such as industry- or region-specific guidance. Examples include:
- 2.3.1 *GHG Reporting Guidance for the Aerospace Industry* published by the International Aerospace Environmental Group (IAEG);
 - 2.3.2 *Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources* published by the US Environmental Protection Agency (EPA);
 - 2.3.3 India GHG Inventory Program;
 - 2.3.4 ISO 14064-1;
 - 2.3.5 *Petroleum Industry Guidelines for reporting GHG emissions*, 2nd edition, 2011, published by Ipieca; and
 - 2.3.6 *Protocol for the quantification of greenhouse gas emissions from waste management activities* published by Entreprises pour l'Environnement (EpE).
- 2.4 GHG emissions data shall be consolidated and disclosed according to the approach with which the entity consolidates its financial reporting data, which generally is aligned with the 'financial control' approach defined by the *GHG Protocol*, and the approach published by the Climate Disclosure Standards Board (CDSB) that is described in REQ-07, 'Organisational boundary', of the *CDSB Framework for reporting environmental and social information*.
- 3 The entity may discuss any change in its emissions from the previous reporting period, including whether the change was because of emissions reductions, divestment, acquisition, mergers, changes in output or changes in calculation methodology.
- 4 In the case that current reporting of GHG emissions to the CDP or other entity (for example, a national regulatory disclosure programme) differs in terms of the scope and consolidation approach used, the entity may disclose those emissions. However, primary disclosure shall be according to the guidelines described above.
- 5 The entity may discuss the calculation methodology for its emissions disclosure, such as if data are from continuous emissions monitoring systems (CEMS), engineering calculations or mass balance calculations.

FB-FR-110b.2. Percentage of refrigerants consumed with zero ozone-depleting potential

- 1 The entity shall disclose the percentage of the refrigerants consumed in its operations that have zero ozone-depleting potential (ODP).
- 1.1 ODP is defined as the amount of ozone depletion caused by a substance. Ozone depletion is defined as a chemical destruction of the stratospheric ozone layer beyond natural reactions.

- 1.2 A refrigerant with zero ODP is defined as a substance that has a published ODP value of zero, has no impact on the stratospheric ozone layer beyond natural reactions, and does not contain chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons, methyl bromide, carbon tetrachloride, hydrobromofluorocarbons, chlorobromomethane or methyl chloroform.
- 2 A list of compounds recognised as ozone-depleting substances (ODS) and their respective ODPs, under the Montreal Protocol, is available through the United Nations website.
 - 2.1 Consumption of refrigerants is defined as the amount of refrigerant charged into the entity's commercial refrigeration equipment during the reporting period.
 - 2.2 The percentage shall be calculated as the amount (by weight) of refrigerants consumed in the entity's operations that have zero ODP, divided by the total amount (by weight) of refrigerants consumed in the entity's operations.
- 3 The scope of disclosure includes all commercial stationary and mobile refrigerants the entity uses in retail locations, distribution centres and its transportation fleet.

FB-FR-110b.3. Average refrigerant emissions rate

- 1 The entity shall disclose its average refrigerant emissions rate as a percentage.
 - 1.1 Refrigerant emissions rate is defined as the rate of refrigerant loss from commercial refrigeration equipment or systems.
 - 1.2 The entity shall calculate the average refrigerant emissions rate as the total amount, in pounds, of refrigerant emitted over the reporting period, divided by the total weight, in pounds, of refrigerant charged into commercial refrigeration equipment over the reporting period.
- 2 The scope of disclosure includes all commercial stationary and mobile refrigerant sources the entity uses in its retail locations, distribution centres and its transportation fleet.

Energy Management

Topic Summary

Food retail and distribution facilities are typically more energy-intensive than other types of commercial spaces. These facilities use energy predominately for refrigeration, heating, ventilation and air conditioning (HVAC), as well as lighting. Entities in the industry generally purchase the majority of consumed electricity, while some are beginning to generate energy on-site or add renewable energy into their energy mix. Energy production and consumption contribute to environmental impacts, including climate change and pollution, which have the potential to indirectly, yet materially, impact the operations of food retailers and distributors. Entities that manage to increase energy efficiency and use alternative energy sources may increase profitability by reducing expenses and decreasing risk.

Metrics

FB-FR-130a.1. (1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable

- 1 The entity shall disclose (1) the total amount of energy it consumed (excluding fleet vehicles) as an aggregate figure in gigajoules (GJ).
 - 1.1 The scope of energy consumption excludes fuel consumed by fleet vehicles, but includes energy from all other sources, including energy purchased from external sources and energy produced by the entity itself (self-generated). For example, purchased electricity, and heating, cooling and steam energy all are 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 (excluding fleet vehicles) 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 (excluding fleet vehicles) 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 purpose of this disclosure, the scope of renewable energy from and 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).

Food Waste Management

Topic Summary

The Food Retailers & Distributors industry generates food waste at various stages of operation. Food waste includes edible or otherwise useful food that does not reach consumers, as well as foods that spoil or are damaged during transportation or stocking or while sitting on store shelves. For entities, food waste represents losses of both saleable merchandise and resources used in food production, including land, water, labour, energy and agricultural chemicals. Food waste also contributes to food insecurity and can generate greenhouse gas (GHG) emissions during landfill decomposition. Effective food waste management can present financial opportunities to reduce costs associated with inventory loss, as well as help improve food security by more efficiently diverting food resources for beneficial purposes.

Metrics

FB-FR-150a.1. (1) Amount of food waste generated, (2) percentage diverted from the waste stream

- 1 The entity shall disclose (1) the total weight of food waste and unsaleable food generated, in metric tonnes.
 - 1.1 Food waste is defined as food and inedible parts for which the entity has no further use that are removed from the food supply chain.
 - 1.1.1 Food is defined as a substance—whether processed, semi-processed, or raw—intended for human consumption. Food includes drinks, and any substance used in the manufacture, preparation or treatment of food. Food also includes material that has spoiled and is no longer 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.
 - 1.1.2 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 or 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, socioeconomic factors, availability, price, technological advances, international trade and region.
 - 1.2 Unsaleable food is defined as food safe for human consumption, but that is unavailable for sale because of issues related to quality, over-production or labelling, among others.
 - 1.3 The scope of food waste and unsaleable food generated excludes (a) what is discarded off-site by customers and (b) packaging materials, such as boxes, wrapping or plastic containers.
 - 1.3.1 If packaging is not separated from food prior to disposal, the entity shall obtain an estimate for the quantity of food waste excluding the packaging material based on the Food Loss and Waste Protocol *Guidance on FLW Quantification Methods*.

2 The entity shall disclose (2) the percentage of food waste or unsaleable food, by weight, that was diverted or rescued.

2.1 Food waste is considered diverted if it has been:

2.1.1 used as feed for animals (directly or after processing);

2.1.2 converted for use in bio-based industrial products such as fibres for packaging material, bioplastics or raw material to make biodiesel, soaps or cosmetics;

2.1.3 broken down via bacteria in the absence of oxygen to generate biogas and nutrient-rich matter (codigested or fermented);

2.1.4 broken down via bacteria in oxygen-rich environments to be used as soil amendment (composted);

2.1.5 converted via microbes into alcohols in the absence of oxygen to produce metabolic waste products (fermented);

2.1.6 applied to land through spreading, spraying or injecting onto or below the surface of land; or

2.1.7 tilled into the soil.

2.2 Unsaleable food is considered rescued if it has been donated to social service agencies or charitable organisations.

2.2.1 The entity may disclose the percentage of the total unsaleable food generated that was rescued.

2.3 These disposal methods are not considered to be diversion from the waste stream or rescued:

2.3.1 landfilling;

2.3.2 incineration, including for energy recovery;

2.3.3 dumping to land or sea; or

2.3.4 disposal via sewer and wastewater treatment plants.

2.4 The entity shall calculate the percentage as the sum of the weight of food waste diverted from the waste stream plus the weight of unsaleable food rescued divided by the total weight of food waste and unsaleable food generated.

Note to FB-FR-150a.1

1 The entity shall describe the quantification methods used to calculate the amount of food waste and inedible parts, according to the *Guidance on FLW Quantification Methods*.

- 1.1 The scope of the disclosure includes (a) the measurement or approximation method used (for example, direct weighting, counting, assessing volume, waste composition analysis or records) and (b) the calculation used (for example, mass balance, modelling or proxy data).

Data Security

Topic Summary

Through electronic payment transactions, food retailers establish a relationship of trust with consumers who share their personal financial data with them. Data breaches can occur through breaches of the physical payment technology, called point-of-sale breaches, as well as through attacks on cybersecurity infrastructure. Data breaches that result in the theft or loss of customers' personal data undermine trust in an entity's ability to securely manage confidential information. This loss of confidence could result in reduced number of customer visits, lower revenues and diminished brand value. Retailers with strong technological and managerial systems to avoid data breaches and respond to threats effectively can position themselves favourably with customers and reduce the risk of litigation and other costs.

Metrics

FB-FR-230a.1. (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 **FB-FR-230a.1**

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.

FB-FR-230a.2. 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 adversely (including mission, functions, image or reputation), assets, individuals, or 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.

Food Safety

Topic Summary

Maintaining product quality and safety is crucial for the Food Retailers & Distributors industry, since contamination by pathogens, hazardous substances or spoilage can present risks to human health. Contamination can occur at any stage in the food value chain, including food production, processing, transportation, distribution and retail. Although entities may not be directly responsible for all food safety and recall incidents, they are involved in the process and still may experience consequences associated with incidents, such as financial ramifications, damage to brand value, lower revenues and increased costs. Measures to prevent spoilage and contamination include temperature control, frequent food inspection and careful supplier selection.

Metrics

FB-FR-250a.1. High-risk food safety violation rate

- 1 The entity shall disclose its rate of high-risk food safety violations.
 - 1.1 High-risk (or 'critical') violations are defined as violations that, if left uncorrected, directly contribute to the transmission of foodborne illnesses, the adulteration of food products or the contamination of food-contact surfaces.
 - 1.2 The scope of the disclosure includes food safety inspections conducted by applicable jurisdictional health departments or other relevant agencies that govern food safety at the entity's retail locations and distribution centres.
 - 1.3 The entity shall calculate the percentage as the number of inspected locations that received high-risk violations divided by the total number of food safety inspections conducted at the entity's retail locations and distribution centres during the reporting period.
- 2 The entity may disclose the number of notices of violation received related to food safety at its retail locations and distribution centres.
 - 2.1 A notice of violation is defined as an advisory and administrative violation for any food-safety-related issue, which may include issues related to facilities' hygienic practices, product allergen labelling, product contamination, food and colour additive violations and other food safety issues covered by applicable jurisdictional laws or regulations.

FB-FR-250a.2. (1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products

- 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 number of units of food products subject to food-safety-related recalls.
- 3 The entity shall disclose (3) the percentage of food products, by units, subject to food-safety-related recalls that were private-label products.
 - 3.1 A private-label product is defined as a store-brand product packaged for sale with a retailer's brand name, whether manufactured by the retailer or by another manufacturer.
 - 3.2 The percentage shall be calculated as the number of units of private-label food products subject to food-safety-related recalls divided by the total number of units of food products subject to food-safety-related recalls.
- 4 The scope of the disclosure excludes market withdrawals, which are defined as an entity's removal or correction of a distributed product that involves a minor violation not subject to legal action by applicable jurisdictional legal or regulatory authorities, or practices that do not involve violations (for example, normal stock rotation practices).
- 5 The entity may separately disclose the percentage of recalls that were (a) voluntary and (b) involuntary.
- 6 The entity may disclose the percentage of the total number of units recalled for which a reasonable probability exists that the use of, or exposure to, a violative product could cause serious adverse health effects or death.

Note to **FB-FR-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.
 - 1.2 For such recalls, the entity may provide:
 - 1.2.1 description and cause of the recall issue;
 - 1.2.2 the total quantity of food products recalled;
 - 1.2.3 cost to remedy the issue;
 - 1.2.4 whether the recall was voluntary or involuntary;
 - 1.2.5 corrective actions; and
 - 1.2.6 any other significant outcomes (for example, legal proceedings or fatalities).

Product Health & Nutrition

Topic Summary

Consumer awareness of food content and nutritional value and their relationship to health, shapes the industry's competitive landscape. Demand for food products that are made with natural ingredients, certified to be organic, low-fat or low-sugar, or produced without genetically modified organisms (GMOs) can create opportunities for entities. Although the links between consumer health and some foods are not well-established, consumers have nonetheless shown preferences for food categories that are perceived to be healthier than others. Food retailers that recognise the risks and opportunities presented by consumers' shifting preferences and adapt to consumer demands may be better positioned to capture opportunities for increasing revenue and market share.

Metrics

FB-FR-260a.1. Revenue from products labelled or marketed to promote health and nutrition attributes

- 1 The entity shall disclose the total revenue from the sales of its products labelled or marketed to promote health and nutrition attributes.
 - 1.1 Products labelled to promote health and nutrition attributes contain labels and other written, printed or graphic matter on the article itself, on any containers and wrappers, or otherwise accompanying the article that promotes health and nutrition attributes.
 - 1.2 Products are considered to be marketed to promote health and nutrition attributes if the entity communicates, delivers and exchanges offerings that promote the product's health and nutrition attributes.
- 2 The scope of products labelled or marketed to promote health and nutrition attributes includes products that contain one or more of these labels or marketing claims:
 - 2.1 that a product has no additives (for example, artificial sweeteners, colours, preservatives and industrially produced trans fats);
 - 2.2 that a product's fat, saturated fat, sodium or salt, and cholesterol are less than or equal to the requirements for the use of the term 'healthy' and related terms under applicable jurisdictional laws or regulations for health or nutrition claims, where:
 - 2.2.1 health or nutrition claims may include labelling products as 'low', 'non' and 'diet';
 - 2.3 that a product contains beneficial nutrients (for example, vitamins A and C, calcium, iron, protein and fibre) that meet or exceed the requirements for the use of the term 'healthy' and related terms under applicable jurisdictional laws or regulations for health or nutrition claims, where:
 - 2.3.1 health or nutritional claims may include labelling products as 'good source of', 'high' or 'rich in';

- 2.4 that a relative claim, such as 'light', 'reduced', or 'less' can be made regarding a product's added sugar content, consistent with applicable jurisdictional laws or regulations for health or nutrition claims.
- 3 The scope of products labelled or marketed to promote health and nutrition attributes excludes products labelled organic, free of genetically modified organism (GMO) ingredients and gluten-free.

FB-FR-260a.2. Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers

- 1 The entity shall discuss its process to identify and manage products and ingredients related to nutritional and health concerns among consumers, such as how it identifies concerns, the products and ingredients related to those concerns, and the resulting risks and opportunities.
 - 1.1 Relevant efforts to discuss may include risk assessments, organisation of long-term health or toxicology studies, and procedures for receiving and reviewing consumer concerns.
- 2 The entity shall discuss how identified concerns and risks are managed and communicated.
 - 2.1 Relevant efforts to discuss may include labelling transparency; phasing out, substituting or using more sustainable ingredients; updating product portions and product mix; improving the nutritional content of its products; or taking other measures to address consumer concerns, trends and preferences.
 - 2.2 The entity may discuss implementation of relevant food ingredient and additive standards, such as the Food and Agriculture Organization of the United Nations' (FAO) and World Health Organisation (WHO) *Codex Alimentarius*, as a strategy to manage products and ingredients related to nutritional and health concerns among consumers.
 - 2.3 The entity may discuss whether strategies are related to or associated with a formal health and nutrition initiative or strategy (for example, the WHO Global Strategy on Diet, Physical Activity and Health), including regional, national, international and industry-specific programmes.
- 3 The entity shall discuss its use of certification programmes that address consumer concerns and preferences regarding ingredients, additives and potential allergens.
 - 3.1 Certifications may include:
 - 3.1.1 organic;
 - 3.1.2 non-GMO Project Verified; and
 - 3.1.3 Certified Gluten-Free.
- 4 The entity shall discuss any significant complaints, such as those resulting in significant lawsuits, relating to nutritional and health concerns associated with products or ingredients, and efforts to mitigate any related future risks.

Product Labelling & Marketing

Topic Summary

Communication with consumers through product labelling and marketing is an important facet of food retail. The accuracy and depth of information presented in food labelling is important to shoppers and regulators. Labelling is especially relevant for the sale of private-label products manufactured for food retailers, with direct consequences on brand reputation. To inform purchasing decisions, consumers may seek additional information about product ingredients, such as the presence of genetically modified organism (GMO) content or other ingredients considered healthy or nutritious. These issues can affect competition among entities in the industry, since entities may be subject to litigation or criticism resulting from making misleading statements or failing to adapt to consumer demand for increased labelling transparency. These factors can have consequences on retailers' brand value and revenue growth. Regulations addressing the accurate labelling of products and their ingredients present an additional risk of penalties or litigation for entities.

Metrics

FB-FR-270a.1. Number of incidents of non-compliance with industry or regulatory labelling or marketing codes

- 1 The entity shall disclose its total number of substantiated incidents of non-compliance with labelling- or marketing-related regulatory codes, statutes or other requirements.
 - 1.1 Labelling- or marketing-related non-compliance incidents include those for products with labels that are misbranded or use deceptive advertising.
 - 1.2 The scope of labelling- or marketing-related non-compliance incidents include warning letters, cease-and-desist orders, civil penalties and corrective advertising remedies.
- 2 The scope of the disclosure includes the entity's private-label products.
 - 2.1 A private-label product is defined as a store-brand product packaged for sale with a retailer's brand name, whether manufactured by the retailer or by another manufacturer.
- 3 The entity may disclose other incidents of non-compliance or violations with voluntary third-party, industry or internal codes related to labelling or marketing, such as the International Council for Ad Self-Regulation (ICAS).

FB-FR-270a.2. Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with marketing or labelling practices, such as those related to enforcement of applicable jurisdictional laws or regulations on nutrient content claims, health claims, other unfair or deceptive claims or misbranded labelling.

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

Note to FB-FR-270a.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, nutrient content claims, health claims or misbranded labelling) 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.

FB-FR-270a.3. Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO

- 1 The entity shall disclose its revenue from products sold during the reporting period labelled as (1) containing genetically modified organisms (GMOs), and separately, (2) not containing GMOs (non-GMOs).
 - 1.1 GMOs are defined as organisms, except for human beings, in which genetic material has been altered in a way that does not occur naturally by mating or natural recombination.
- 2 The entity may disclose the revenue from its products labelled as (1) containing GMOs and (2) non-GMOs in jurisdictions subject to GMO labelling regulation.
- 3 For the purposes of this disclosure, products that are third-party certified to standards for which non-GMO is inherent to the certification shall be considered to be labelled 'non-GMO'.

Labour Practices

Topic Summary

The Food Retailers & Distributors industry employs many hourly workers. Low average wages in the industry, which help entities maintain low prices for products, may result in labour-related risks. Worker dissatisfaction with wages and benefits, combined with high unionisation rates, can result in strikes which can in turn lead to business disruption and reputational damage. Additionally, entities that are involved in gender and racial discrimination cases can experience costly financial settlements. Entities may benefit from taking a long-term perspective on managing workers, including their pay and benefits, in a way that protects the rights of workers and enhances their productivity and strengthens the entity's reputation and brand value.

Metrics

FB-FR-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 butchers and meat cutters; cashiers; first-line supervisors and managers of retail sales workers; food preparation workers; 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, excluding overtime pay, paid to in-store and distribution centre employees for the reporting period 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 and distribution centre employees earning at (but not above) the minimum wage for each region for which it conducts segment financial reports, if applicable.
 - 2.1 Minimum wage is defined as the jurisdictionally mandated minimum wage applicable for each worker.
 - 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 in-store and distribution centre employees that earn at the minimum wage level by the total number of in-store and distribution centre employees.

- 3 The scope of the disclosure excludes corporate employees.
- 4 The entity may discuss the average prevailing 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-FR-310a.2. Percentage of active workforce employed under collective agreements

- 1 The entity shall disclose the percentage of its employees in the active workforce employed under collective agreements during any part of the reporting period.
 - 1.1 The number of employees in the active workforce of an entity is calculated as the maximum number of unique employees it employed at any time during the reporting period.
 - 1.2 Collective agreements are defined as agreements between an entity and an employees' organisation on behalf of some or all employees of the entity concerning the engagement of employees, termination of employment, terms of employment, labour relations, and the rights and obligations of the organisations which are parties to the agreement.
 - 1.3 Employees are defined as individuals on the entity's payroll, whether they are full-time, short service, part-time, executive, labour, salary, seasonal, migrant, or hourly employees. Employees excludes contract workers.
 - 1.3.1 Contract workers are defined as individuals who are not on the entity's payroll, but whom the entity supervises or manages, including independent contractors and those employed by third parties (for example, temp agencies and labour brokers).
- 2 The percentage shall be calculated as the number of employees in the active workforce who were employed under collective agreements during any part of the reporting period divided by the average number of workers employed during the reporting period.
- 3 The scope of the disclosure includes all employees employed by the entity, including full-time, part-time and temporary employees.

FB-FR-310a.3. (1) Number of work stoppages and (2) total days idle

1 The entity shall disclose (1) the number of work stoppages involving 1,000 or more workers lasting one full shift or longer.

1.1 The scope of work stoppages includes strikes and lockouts.

1.1.1 A strike is defined as a temporary stoppage of work by a group of employees (not necessarily union members) to express a grievance or enforce a demand.

1.1.2 A lockout is defined as a temporary withholding or denial of employment during a labour dispute to enforce terms of employment upon a group of employees.

2 The entity shall disclose (2) the total days idle because of work stoppages.

2.1 'Days idle' is defined as the aggregate number of workdays lost because of work stoppages.

2.2 Total days idle shall be calculated as the sum of the products of the number of workers involved in each work stoppage and the number of days each respective work stoppage was in effect.

Note to FB-FR-310a.3

1 The entity shall describe the reason for each work stoppage (as stated by labour), the effect on operations and any corrective actions taken as a result.

FB-FR-310a.4. 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 monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.

- 5 The scope of the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to **FB-FR-310a.4**

- 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.

Management of Environmental & Social Impacts in the Supply Chain

Topic Summary

Food retailers and distributors source merchandise from a wide range of manufacturers. These suppliers face a myriad of sustainability-related challenges that include resource conservation, water scarcity, animal welfare, fair labour practices and climate change. When poorly managed, these issues can affect the price and availability of food. Additionally, consumers increasingly are concerned with the production methods, origins and externalities associated with the foods they purchase, which may affect an entity's reputation. Food retailers and distributors also can work with suppliers on packaging design to generate cost savings in transport, improve brand reputation and reduce environmental impact. Entities that can manage effectively product supply risks by assessing and engaging with suppliers, implementing sustainable sourcing guidelines and enhancing supply chain transparency positioned more advantageously to improve supply chain resiliency, mitigate reputational risks, and potentially increase consumer demand or capture new market opportunities.

Metrics

FB-FR-430a.1. Revenue from products third-party certified to environmental or social sustainability sourcing standards

- 1 The entity shall disclose its revenue from products third-party certified to an environmental or social sustainability standard.
 - 1.1 Environmental standards are defined as standards that address environmental impacts related to the production of agricultural products such as protection of primary forests, maintenance of surface water and groundwater quality, and implementation of integrated pest management (IPM) solutions or an Organic System Plan.
 - 1.2 Social standards are defined as standards that address social impacts related to the production of agricultural products such as compensation of the workforce, training and continual monitoring of health and safety risks associated with applications of agrochemicals, and child-labour practices.
 - 1.3 Examples of certifications to third-party environmental and social standards may include:
 - 1.3.1 Bonsucro;
 - 1.3.2 Fairtrade International;
 - 1.3.3 Fair Trade USA;
 - 1.3.4 Roundtable on Sustainable Palm Oil (RSPO);
 - 1.3.5 Roundtable on Responsible Soy (RTRS);
 - 1.3.6 Rainforest Alliance;

1.3.7 SA8000;

1.3.8 U.S. Department of Agriculture (USDA) Organic; and

1.3.9 UTZ Certified.

2 The entity may additionally break down the disclosure by product category and certification type.

2.1 A product category is defined as a group of related products that offer a similar general functionality (for example, meat, produce, packaged goods).

2.2 Certification types may be grouped based on the topic or scope of the standard, and can include animal welfare, working conditions, organic, sustainable fishing or harvesting.

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

1 The entity shall disclose (1) the percentage of revenue from eggs sold 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 revenue from eggs sold that originated from a cage-free environment divided by the total revenue from eggs sold.

2 The entity shall disclose (2) the percentage of revenue from pork 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 revenue from pork sold without using gestation crates divided by the total revenue from pork sold.

FB-FR-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 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; and
- 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 shall 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; and
 - 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 towards those targets;
 - 3.2.2 Any requirements for suppliers related to animal welfare standards; and
 - 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, where 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.

FB-FR-430a.4. Discussion of strategies to reduce the environmental impact of packaging

- 1 The entity shall discuss its strategies to reduce the environmental impact of packaging, such as optimising packaging weight and volume for a given application, or using alternative materials, including those that are renewable, recycled, recyclable or compostable.
- 2 Relevant disclosures may include the following:
 - 2.1 Design innovations, including strategies to optimise the amount of material used; packaging weight, shape and size; product-to-package ratio; cube utilisation and void fill.
 - 2.2 Implementation of the 'Essential Requirements' in Article 9, Annex II of the EU Directive on Packaging and Packaging Waste (94/62/EC), which includes 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.
 - 2.3 Performance on the 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 designed to come into direct contact with the product.
 - 3.2 Secondary packaging is designed to contain one or more primary packages together with any protective materials, where required.
 - 3.3 Tertiary packaging is 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 A private-label product is a store-brand product packaged for sale with a retailer's brand name, whether manufactured by the retailer or by another manufacturer.

- 4 The entity may discuss its use of Life Cycle Assessment (LCA) analysis in the context of its approach to environmental impact reduction and maximisation of product efficiency, including weight reduction and transportation efficiency.
 - 4.1 When discussing improvements to the environmental efficiency of packaging products, improvements may be discussed in terms of LCA functional unit service parameters (time, extent and quality of function).



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