



**SASB
STANDARDS**

Now part of IFRS Foundation

Non-Alcoholic Beverages

Sustainability Accounting Standard

FOOD & BEVERAGE SECTOR

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

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



IFRS®
Sustainability

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ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards (“SASB Standards” or “Industry Standards”), categorised pursuant to the [Sustainable Industry Classification System[®] \(SICS[®]\)](#).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.
2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.
3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity’s performance for a specific disclosure topic.
4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.
5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the [SASB Standards Application Guidance](#) establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the [SASB Conceptual Framework](#) set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in [SICS[®]](#). However, companies with substantial business in multiple SICS[®] industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

The Non-Alcoholic Beverages industry produces a broad range of beverage products, including various carbonated soft drinks, syrup concentrates, juices, energy and sport drinks, teas, coffee and water products. The industry is dominated by large, international entities. Entities conduct syrup manufacturing, marketing, bottling operations and distribution, with larger entities typically being more vertically integrated into operations that bottle, sell and distribute the finished products.

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-NB-110a.1
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-NB-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-NB-140a.1
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-NB-140a.2
Health & Nutrition	Revenue from (1) zero- and low-calorie or energy-free and low-energy, (2) no-added-sugar, and (3) artificially sweetened beverages	Quantitative	Presentation currency	FB-NB-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-NB-260a.2
Product Labelling & Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines ¹	Quantitative	Percentage (%)	FB-NB-270a.1
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Presentation currency	FB-NB-270a.2
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	Quantitative	Number	FB-NB-270a.3
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices ²	Quantitative	Presentation currency	FB-NB-270a.4

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¹ Note to **FB-NB-270a.1** – The entity shall disclose the applicable dietary guidelines and the method used to estimate advertising impressions.

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

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Packaging Lifecycle Management	(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-NB-410a.1
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	FB-NB-410a.2
Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-NB-430a.1
Ingredient Sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-NB-440a.1
	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and Analysis	n/a	FB-NB-440a.2

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Volume of products sold	Quantitative	Millions of hectoliters (Mhl)	FB-NB-000.A
Number of production facilities	Quantitative	Number	FB-NB-000.B
Total fleet road kilometres travelled	Quantitative	Kilometres (km)	FB-NB-000.C

Fleet Fuel Management

Topic Summary

Non-alcoholic beverages entities generate direct Scope 1 greenhouse gas (GHG) emissions from large vehicle fleets used for distribution and from manufacturing facilities. Specifically, refrigeration used in manufacturing facilities and in transport vehicles contributes a significant proportion of overall industry emissions. Efficiencies gained in fuel use can reduce costs, mitigate exposure to fossil fuel price volatility and limit emissions from production, storage and transportation of products. Long-term operational savings and regulatory risk mitigation may outweigh short-term capital expenditures in fuel efficient fleets and more energy-efficient technologies.

Metrics

FB-NB-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 is generally defined as fuel that meets all of these 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).

Energy Management

Topic Summary

Entities in the Non-Alcoholic Beverages industry use significant energy to operate manufacturing facilities, distribution centres and warehouses. Entities in the industry generally buy electricity from the grid. Energy generation contributes to environmental impacts, including climate change and pollution, which have the potential to indirectly, yet materially, affect the operations of non-alcoholic beverages entities. Entities can reduce energy consumption and associated greenhouse gas (GHG) emissions from their operations by implementing more efficient technologies and processes. Decisions regarding alternative fuels use, renewable energy and on-site generation of electricity, versus purchasing from the grid, can be important in influencing both the costs and reliability of the energy supply.

Metrics

FB-NB-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 organisation itself (self-generated). For example, 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 (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 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 management relates to an entity's direct water use, operations in water-stressed regions, and wastewater management. Entities in the Non-Alcoholic Beverages industry use a large amount of water in their operations, because water is an essential input to finished products. Given non-alcoholic beverage entities' heavy reliance on large volumes of clean water, and increasing global water scarcity, entities may be exposed to supply disruptions that could significantly affect operations and add to costs. Entities operating in water-stressed regions that fail to address local water concerns may face further risk of losing their social licence to operate. Additionally, proper wastewater treatment is an important element of managing water issues in operations, because bottling plants release large quantities of effluents. Improving water management through increased efficiency, recycling and proper disposal, particularly in regions with baseline water stress, may result in reduced operating costs, decreased risks and higher intangible asset value.

Metrics

FB-NB-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 incorporated into 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.

FB-NB-140a.2. Description of water management risks and discussion of strategies and practices to mitigate those risks

- 1 The entity shall describe its water management risks associated with water withdrawals, water consumption, and discharge of water or wastewater.
 - 1.1 Risks associated with water withdrawals and water consumption include risks to the availability of adequate, clean water resources, which include:
 - 1.1.1 Environmental constraints—such as operating in water-stressed regions, drought, concerns of aquatic impingement or entrainment, interannual or seasonal variability, and risks from the impact of climate change
 - 1.1.2 Regulatory and financial constraints—such as volatility in water costs, stakeholder perceptions and concerns related to water withdrawals (for example, those from local communities, non-governmental organisations and regulatory agencies), direct competition with and impact from the actions of other users (for example, commercial and municipal users), restrictions to withdrawals because of regulations, and constraints on the entity's ability to obtain and retain water rights or permits
 - 1.2 Risks associated with the discharge of water or wastewater include the ability to obtain rights or permits related to discharges, regulatory compliance related to discharges, restrictions to discharges, the ability to maintain control over the temperature of water discharges, liabilities, reputational risks and increased operating costs because of regulation, stakeholder perceptions and concerns related to water discharges (for example, those from local communities, non-governmental organisations and regulatory agencies).
- 2 The entity may describe water management risks in the context of:
 - 2.1 How risks may vary by withdrawal source, including 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; and
 - 2.2 How risks may vary by discharge destinations, including surface water, groundwater or wastewater utilities.
- 3 The entity may discuss the potential effects that water management risks may have on its operations and the time line over which such risks are expected to manifest.

- 3.1 Effects include those associated with costs, revenue, liabilities, continuity of operations and reputation.
- 4 The entity shall discuss its short- and long-term strategies or plans to mitigate water management risks, which include:
 - 4.1 The scope of its strategy, plans, goals or targets, such as how they relate to various business units, geographies or water-consuming operational processes.
 - 4.2 Any water management goals or targets it has prioritised, and an analysis of performance against those goals or targets.
 - 4.2.1 Goals and targets include those associated with reducing water withdrawals, reducing water consumption, reducing water discharges, reducing aquatic impingements, improving the quality of water discharges and regulatory compliance.
 - 4.3 The activities and investments required to achieve the plans, goals or targets, and any risks or limiting factors that might affect achievement of the plans or targets.
 - 4.4 Disclosure of strategies, plans, goals or targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.
- 5 For water management targets, the entity shall additionally disclose:
 - 5.1 Whether the target is absolute or intensity-based, and the metric denominator if it is an intensity-based target.
 - 5.2 The time lines for the water management activities, including the start year, the target year and the base year.
 - 5.3 The mechanism(s) for achieving the target, including:
 - 5.3.1 Efficiency efforts, such as the use of water recycling or closed-loop systems;
 - 5.3.2 Product innovations, such as redesigning products or services to require less water;
 - 5.3.3 Process and equipment innovations, such as those that enable the reduction of aquatic impingements or entrainments;
 - 5.3.4 Use of tools and technologies (for example, the World Wildlife Fund Water Risk Filter, the Global Water Tool and Water Footprint Network Footprint Assessment Tool) to analyse water use, risks and opportunities; and
 - 5.3.5 Collaborations or programmes in place with the community or other organisations
 - 5.4 The percentage reduction or improvement from the base year, in which the base year is the first year against which water management targets are evaluated towards the achievement of the target.

- 6 The entity shall discuss whether its water management practices result in any additional lifecycle impacts or trade-offs in its organisation, including trade-offs in land use, energy production and greenhouse gas (GHG) emissions, and why the entity chose these practices despite lifecycle trade-offs.

Health & Nutrition

Topic Summary

Nutritional and health concerns such as obesity, ingredient safety, nutritional content and adverse health impacts resulting from the consumption of non-alcoholic beverages are important factors in how entities compete with one another. Studies show that consuming high-calorie sugar-sweetened beverages can have adverse health consequences including higher levels of cholesterol, increased risk of heart disease and obesity. These findings may alter consumer perceptions of the industry's products, leading to long-term shifts in purchasing decisions. Furthermore, efforts to reduce obesity, such as regulations or taxes on sugar-sweetened beverages, can influence industry profitability and demand for products. The potential for adverse health effects from other commonly used ingredients—such as artificial sweeteners—may pose additional health concerns, and entities may face related litigation or regulation. Consumer demand for improved nutritional value in emerging market segments creates new opportunities. Entities that adapt to changing consumer preferences and an evolving regulatory environment by offering healthier alternatives may capture additional market share and reduce exposure to regulatory and legal risks.

Metrics

FB-NB-260a.1. Revenue from (1) zero- and low-calorie or energy-free and low-energy, (2) no-added-sugar, and (3) artificially sweetened beverages

- 1 The entity shall disclose (1) its total revenue generated from the sales of zero- and low-calorie or energy-free and low-energy beverages.
 - 1.1 The entity shall reference the definition of zero-calorie beverages consistent with health or nutrition claims under applicable jurisdictional laws or regulations.
 - 1.1.1 'Zero calories' may also be referenced with terms such as 'calorie free', 'free of calories', 'no calories', 'zero calories', 'without calories', 'trivial source of calories', 'negligible source of calories', 'energy-free' or 'dietarily insignificant source of calories'.
 - 1.1.2 The energy of a product can be measured in either kilocalories or kilojoules in accordance with applicable jurisdictional labelling laws or regulations.
 - 1.2 The entity shall reference the definition of low-calorie or low-energy beverages consistent with health or nutrition claims under applicable jurisdictional laws or regulations.
 - 1.2.1 The energy of a product can be measured in either kilocalories or kilojoules in accordance with applicable jurisdictional labelling laws or regulations.
 - 1.3 The entity may separately disclose revenue from zero- and low-calorie beverages that do not contain artificial sweeteners (for example, water, tea or coffee).
- 2 The entity shall disclose (2) total revenue generated from the sales of no-added-sugar beverages.

- 2.1 The entity shall refer to the definition of beverages with no added sugars consistent with health or nutrition claims under applicable jurisdictional laws or regulations.
- 2.2 For the purposes of this disclosure, zero- and low-calorie beverages and artificially sweetened beverages shall be excluded from the scope of beverages with no added sugars.
- 3 The entity shall disclose (3) its total revenue generated from the sales of artificially sweetened beverages.
 - 3.1 Artificial sweeteners (also referenced with terms such as ‘high-intensity sweeteners’ or ‘artificial high-intensity sweeteners’) are defined as chemically processed substances or food additives used instead of table sugar (sucrose) or sugar alcohol.
 - 3.1.1 Artificial sweeteners may include acesulfame potassium, advantame, aspartame, neotame, saccharin and sucralose.
 - 3.1.2 The entity may separately disclose any portion of revenue received from artificially sweetened beverages not classified as zero- or low-calorie.

FB-NB-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 Organization’s (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 the Non-Alcoholic Beverages industry. The accuracy and depth of information presented on product labels is important to consumers and regulators. Labelling regulations require specific and detailed product information to ensure food safety and inform consumers of the nutritional content of products. 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. The marketing practices of entities are another area of public concern, especially those targeting children or presenting potentially false or misleading nutritional information. Product labelling and marketing issues can affect competition among entities, 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 for entities' brand value and revenue growth. Regulations on accurate and truthful product labelling and marketing present an additional risk of penalties or litigation for entities making exaggerated or untrustworthy claims.

Metrics

FB-NB-270a.1. Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines

- 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 and 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 that 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 a 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-NB-270a.1**

- 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.

FB-NB-270a.2. 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 that are labelled as (1) containing GMOs and (2) non-GMOs in markets 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'.

FB-NB-270a.3. 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 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-NB-270a.4. 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 judgement, 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-NB-270a.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, 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.

Packaging Lifecycle Management

Topic Summary

Packaging materials represent a significant cost to entities in the Non-Alcoholic Beverages industry. Although many non-alcoholic beverage entities do not manufacture their own bottles and packaging, they face reputational risks associated with the negative externalities that their products' containers are associated with over their lifecycle. Entities are also directly affected by legislation regarding end-of-life management of beverage containers. Entities can work with packaging manufacturers on packaging design to reduce costs, improve brand reputation and reduce the environmental impact of packaging. Efforts to reduce the amount of material used in packaging can reduce transportation costs, exposure to supply and price volatility and the amount of virgin material extracted for manufacturing. In the end-of-life phase, take-back and recycling programmes and partnerships may meet regulations, help achieve cost savings and reduce environmental impacts. Entities that effectively manage this issue can improve profitability and reduce the cost of capital.

Metrics

FB-NB-410a.1. (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 primary packaging and secondary packaging but excludes tertiary packaging.
 - 1.1.1 Primary packaging is defined as the packaging designed to come into direct contact with the product.
 - 1.1.2 Secondary packaging is defined as the packaging designed to contain one or more primary packages together with any protective materials, if required.
 - 1.1.3 Tertiary packaging is defined as packaging designed to contain one or more articles or packages, or bulk material, for the purposes of transport, handling or distribution. Tertiary packaging is also known as 'distribution' or 'transport' packaging.
- 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 greater than or equal to 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 CO₂, 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 entity shall calculate the percentage 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).

FB-NB-410a.2. Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle

- 1 The entity shall discuss its strategies to reduce the environmental impact of the packaging of its products throughout its lifecycle, such as optimising packaging weight and volume for a given application or using alternative materials, including those that are recycled, recyclable, reusable, compostable or degradable.
- 2 The entity shall describe its use of recycled and renewable packaging, including discussions of supply availability, consumer preferences and packaging durability requirements.
- 3 The entity shall describe its use of recyclable and compostable packaging including regulations, packaging end-of-life commitments, consumer demand and packaging durability.
- 4 Relevant disclosures may include discussion of the:
 - 4.1 implementation of ISO 18602, *Packaging and the environment—Optimization of the packaging system*, which includes criteria for minimisation of packaging weight and optimisation to the amount needed for safety, hygiene, and consumer acceptance of the packed product;
 - 4.2 implementation of ISO 18604, *Packaging and the environment—Material recycling*, which includes criteria for recyclable packaging;
 - 4.3 implementation of ISO 14855-1, *Determination of the ultimate aerobic biodegradability of plastic materials under controlled composting conditions—Method by analysis of evolved carbon dioxide—Part 1: General method*; ASTM D6400, *Standard Specification for Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities*; or ASTM D6868, *Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities*; which include criteria for packaging recoverable through biodegradation and composting;
 - 4.4 implementation of ISO 14021, *Environmental labels and declarations — Self-declared environmental claims (Type II environmental labelling)*, which includes criteria for renewable and recycled material content claims; or

- 4.5 performance on The Consumer Goods Forum's *Global Protocol on Packaging Sustainability 2.0* metrics for 'Packaging Weight and Optimization or Assessment' and 'Minimization of Substances Hazardous to the Environment'.
- 5 The entity may, if relevant, discuss any packaging-related targets and performance against those targets. Examples of such targets may include:
 - 5.1 reducing packaging footprints;
 - 5.2 reducing packaging weight either in total or on a per-unit basis; and
 - 5.3 increasing recycled, recyclable, reusable, renewable, compostable or degradable content.
- 6 The entity may discuss its use of Life Cycle Assessment (LCA) analysis to reduce environmental impacts and maximise product efficiency, including weight reduction and transportation efficiency.
 - 6.1 Improvements to the environmental efficiency of packaging products may be discussed in terms of LCA functional unit service parameters (time, extent and quality of function).

Environmental & Social Impacts of Ingredient Supply Chain

Topic Summary

Entities in the Non-Alcoholic Beverages industry manage global supply chains to source a wide range of ingredient inputs. How entities screen, monitor and engage with suppliers on environmental and social topics affects the ability of entities to secure supplies and manage price fluctuations. Supply chain interruption can reduce revenue and negatively affect market share if entities are unable to find alternatives for important suppliers or must source ingredients at higher cost. Supply chain management issues related to labour practices, environmental responsibility, ethics or corruption also may result in regulatory fines or increased long-term operational costs for entities. The consumer-facing nature of the industry increases the reputational risks associated with supplier actions. Managing an entity's exposure to environmental and social risks may result in improved supply chain resiliency and enhanced reputation, which provide value to shareholders. Entities can engage with important suppliers to manage environmental and social risks to improve supply chain resiliency, mitigate reputational risks, and potentially increase consumer demand or capture new market opportunities.

Metrics

FB-NB-430a.1. Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

- 1 The entity shall disclose its supplier facilities' (1) non-conformance rate with external social and environmental audit standard(s) or internally developed supplier code(s) of conduct for (a) major non-conformances, and separately, (b) minor non-conformances.
 - 1.1 A major non-conformance is defined as the highest severity of non-conformance and requires escalation by auditors. Major non-conformances confirm the presence of underage child workers (below the legal age for work or apprenticeship), forced labour, health and safety issues that can cause immediate danger to life or serious injury, or environmental practices that can cause serious and immediate harm to the community. Major non-conformance includes material breach or systemic breaking of code requirement or law. Major non-conformances may also be referred to as critical or priority non-conformances.
 - 1.2 A minor non-conformance is defined as a non-conformance that, by itself, is not indicative of a systemic problem with the management system. Minor non-conformances are typically isolated or random incidents and represent a low risk to workers or the environment.
 - 1.3 The entity shall calculate the non-conformance rates as the total number of non-conformances identified (in each respective category) among its supplier facilities divided by the number of supplier facilities audited.
- 2 The entity shall disclose the (2) corrective action rates associated with its supplier facilities' (a) major non-conformances, and separately, (b) minor non-conformances.

- 2.1 A corrective action is defined as the completion of an action (generally identified in a corrective action plan) within 90 days for major non-conformances and 60 days for minor non-conformances, designed to eliminate the cause of a detected non-conformance, including the implementation of practices or systems to eliminate any non-conformance and ensure no reoccurrence of the non-conformance, as well as provide verification that the action has taken place.
 - 2.2 The entity shall calculate the corrective action rates as the number of corrective actions that address non-conformances (in each respective category) divided by the total number of non-conformances identified (in each respective category).
- 3 The entity shall disclose the standards or code(s) of conduct to which it has measured social and environmental responsibility audit compliance.
- 3.1 For internally developed supplier code(s) of conduct, the entity shall disclose the public location where such code(s) can be viewed.

Ingredient Sourcing

Topic Summary

Entities in the Non-Alcoholic Beverages industry source a wide range of ingredients from suppliers worldwide. The industry's ability to source ingredients fluctuates with supply availability, which may be affected by climate change, water scarcity, land management and other resource scarcity considerations. This exposure may result in price volatility which may affect entity profitability. Ultimately, climate change, water scarcity and land-use restrictions present risks to an entity's long-term ability to source essential materials and ingredients. Entities that source ingredients which are more productive and less resource intensive, or work closely with suppliers to increase their adaptability to climate change and other resource scarcity risks, may reduce price volatility or supply disruptions.

Metrics

FB-NB-440a.1. Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress

- 1 The entity shall disclose the percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress.
- 2 The percentage shall be calculated as the cost of beverage ingredients purchased from Tier 1 suppliers that withdraw and consume water in regions with High or Extremely High Baseline Water Stress to produce the beverage ingredients, divided by the total cost of agricultural products purchased from Tier 1 suppliers.
 - 2.1 Tier 1 suppliers are defined as suppliers that transact directly with the entity for agricultural products.
 - 2.2 The entity shall identify Tier 1 suppliers 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.
- 3 If the entity is unable to identify or collect data pertaining to all Tier 1 suppliers, the entity shall disclose the percentage of agricultural products for which the source region and water risks are unknown.

FB-NB-440a.2. List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations

- 1 The entity shall identify the highest priority beverage ingredients to its business.
 - 1.1 Priority beverage ingredients are defined as ingredients (excluding water) that constitute the largest beverage ingredient expense, or those ingredients that have otherwise been identified by the entity as essential to its products or as having significant environmental or social risks.
 - 1.2 The scope of disclosure includes priority beverage ingredients sourced by the entity, which may include those sourced directly from contract growers and from producer supply agreements.

- 2 The entity shall discuss its strategic approach to managing the environmental and social risks that arise from its highest priority beverage ingredients.
 - 2.1 Environmental risks include effects of drought and climate change on ingredient prices, reputational damage because of deforestation, and other risks resulting from the environmental impacts associated with the entity's supply chain.
 - 2.2 Social risks may include the effects of workers' rights on productivity, reputational damage because of human rights issues and other risks resulting from the social impacts associated with the entity's supply chain.
- 3 The entity may identify which beverage ingredients present risks to its operations, the risks represented and the strategies the entity uses to mitigate such risks.
 - 3.1 For environmental risks, relevant strategies to discuss may include the diversification of suppliers, supplier training programmes on environmental best management practices, expenditures on research and development for alternative and substitute crops, and audits or certifications of suppliers' environmental practices.
 - 3.2 For social risks, relevant strategies to discuss include supplier training programmes on agrochemical application, engagement with suppliers on labour and human rights issues, and maintenance of a supply chain code of conduct.



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