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Exposure Draft

IFRS[®] Sustainability Disclosure Standard

[Draft] IFRS S2 Climate-related Disclosures Appendix B Industry-based disclosure requirements

Volume B22—Food Retailers & Distributors

Comments to be received by 29 July 2022



This industry from Appendix B Industry-based disclosure requirements accompanies the Exposure Draft ED/2022/S2 *Climate-related Disclosures* (published March 2022; see separate booklet). It is published by the International Sustainability Standards Board (ISSB) for comment only. Comments need to be received by 29 July 2022 and should be submitted by email to commentletters@ifrs.org or online at <https://www.ifrs.org/projects/open-for-comment/>.

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Introduction

This volume is part of Appendix B of [draft] IFRS S2 Climate-related Disclosures and is an integral part of that [draft] Standard. It has the same authority as the other parts of that [draft] Standard.

This volume sets out the requirements for identifying, measuring and disclosing information related to an entity's significant climate-related risks and opportunities that are associated with specific business models, economic activities and other common features that characterise participation in this industry.

The industry-based disclosure requirements are derived from SASB Standards (see paragraphs B10–B12 of [Draft] IFRS S2 *Climate-related Disclosures*). Amendments to the SASB Standards, described in paragraph B11, are marked up for ease of reference. New text is underlined and deleted text is struck through. The metric codes used in SASB Standards have also been included, where applicable, for ease of reference. For additional context regarding the industry-based disclosure requirements contained in this volume, including structure and terminology, application and illustrative examples, refer to Appendix B paragraphs B3–B17.

Food Retailers & Distributors

Industry Description

The Food Retailers & Distributors industry consists of companies 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 centers. Companies may specialize in one type of store format or have facilities that contain multiple formats. Products are typically sourced worldwide and include fresh meat and produce, prepared foods, processed foods, baked goods, frozen and canned foods, nonalcoholic and alcoholic beverages, and a wide selection of household goods and personal care products.

Note: The standard discussed below is for “pure-play” food retail and distribution companies. Many major food retailers also have pharmacy operations and other retail operations, and may manufacture private-label processed foods. SASB has separate standards for the Drug Retailers, Multiline and Specialty Retailers & Distributors, and Processed Foods industries. Companies involved in multiple lines of business should also consider the disclosure topics and metrics outlined in these other standards.

Sustainability Disclosure Topics & Metrics

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
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 tons (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, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-FR-130a.1

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standard	Quantitative	Reporting 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 centers	Quantitative	Number	FB-FR-000.A
Total area of (1) retail space and (2) distribution centers	Quantitative	Square meters (m ²)	FB-FR-000.B
Number of vehicles in commercial fleet	Quantitative	Number	FB-FR-000.C
Ton miles travelled	Quantitative	Ton miles	FB-FR-000.D

Fleet Fuel Management

Topic Summary

Companies 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 have the potential to 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 include, but are not limited to, 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
 - 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 by the U.S. Renewable Fuel Standard (U.S. 40 CFR 80.1401); as fuel that meets all of 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 Has lifecycle greenhouse gas (GHG) emissions reduction on a life cycle basis that are at least 20 percent less than baseline lifecycle GHG emissions, unless the fuel is exempt from this requirement pursuant to U.S. 40 CFR 80.1403.
 - 2.2 The entity shall disclose the standard or regulation used to determine if a fuel is renewable.

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~~The scope of renewable fuel includes fuel that qualifies for Renewable Identification Numbers (RINs) under the U.S. Renewable Fuel Standard.~~

- 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 directly measured or taken from the Intergovernmental Panel on Climate Change, the U.S. Department of Energy, or the U.S. Energy Information Agency.
- 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 to companies that violate emissions standards, while companies may be required to upgrade or replace equipment, requiring capital expenditures, to reduce their 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), sulfur 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 tons 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 centers, and its transportation fleet.
 - 2.2 For the purposes 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.

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- 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, but are not limited to:
 - 2.3.1 *GHG Reporting Guidance for the Aerospace Industry* published by International Aerospace Environmental Group (IAEG)
 - 2.3.2 *Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources* published by the U.S. 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.
 - 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 is generally aligned with the “financial control” approach defined by the GHG Protocol, and the approach published by the Climate Disclosure Standards Board (CDSB) described in REQ-07, “Organisational boundary,” of the *CDSB Framework for reporting environmental information, natural capital and associated business impacts* (April 2018).
- 3 The entity may discuss any change in its emissions from the previous reporting period, including whether the change was due to emissions reductions, divestment, acquisition, mergers, changes in output, and/or changes in calculation methodology.
- 4 In the case that current reporting of GHG emissions to the CDP or other entity (e.g., a national regulatory disclosure program) 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, where ozone depletion is defined as a chemical destruction of the stratospheric ozone layer beyond natural reactions.

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- 1.2 A refrigerant with zero ODP is defined as 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 recognized as ozone-depleting substances (ODS), and their respective ODPs, under the Montreal Protocol, is available through the ~~U.S. Environmental Protection Agency's (EPA) website, "Ozone-Depleting Substances."~~ United Nations website, "Montreal Protocol on Substances that Deplete the Ozone Layer."
 - 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 used by the entity in retail locations, distribution centers, and 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 a commercial refrigeration equipment or system.
 - 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 refrigerants that are charged into commercial refrigeration equipment over the reporting period.
- 2 The scope of disclosure includes all commercial stationary and mobile refrigerant sources used by the entity in its retail locations, distribution centers, and its transportation fleet.

Energy Management

Topic Summary

Food retail and distribution facilities are typically more energy-intensive than other types of commercial spaces. Energy is used predominately for refrigeration, heating, ventilation, and air conditioning (HVAC), as well as lighting. Companies 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. Companies that manage their overall energy use through increased efficiency and use of alternative energy sources can increase profitability by lowering expenses and reducing risk.

Metrics

FB-FR-130a.1. (1) Operational energy consumed, (2) percentage grid electricity, (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 sources external to the entity and energy produced by the entity 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 directly measured or taken from the Intergovernmental Panel on Climate Change (IPCC), the U.S. Department of Energy (DOE), or the U.S. Energy Information Administration (EIA).
- 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 is renewable energy.
 - 3.1 Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro, and biomass.
 - 3.2 The percentage shall be calculated as renewable energy consumption divided by total energy consumption.

- 3.3 The scope of renewable energy includes renewable fuel the entity consumed, renewable energy the entity directly produced, and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier program, 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 must be retained (i.e., not sold) and retired or cancelled on behalf of the entity in order for the entity to claim them as renewable energy.
 - 3.3.2 For renewable PPAs and green power products, the agreement must explicitly include and convey that RECs and GOs be retained or replaced and retired or cancelled on behalf of the entity in order for the entity to claim them as renewable energy.
 - 3.3.3 The renewable portion of the electricity grid mix that is outside of the control or influence of the entity is excluded from the scope of renewable energy.
- 3.4 For the purposes of this disclosure, the scope of renewable energy from ~~hydro and biomass sources is limited to the following:~~
 - 3.4.1 ~~Energy from hydro sources is limited to those that are certified by the Low Impact Hydropower Institute or that are eligible for a state Renewable Portfolio Standard;~~
 - 3.4.2 ~~Energy from biomass sources is limited to~~ materials certified to a third-party standard (e.g., 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, and/or materials that are eligible for an applicable state renewable portfolio standard.
- 4 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel usage (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

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 labor practices, and climate change. When poorly managed, these issues can affect the price and availability of food. Additionally, consumers are increasingly concerned with the production methods, origins, and externalities associated with the foods they purchase, which may affect a company's reputation. Food retailers and distributors can also work with suppliers on packaging design to generate cost savings in transport, improve brand reputation, and reduce the environmental impact. Companies that can address product supply risks by assessing and engaging with suppliers, implementing sustainable sourcing guidelines, and enhancing supply chain transparency will likely be better positioned 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 that are 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-labor practices.
 - 1.3 Examples of certifications to third-party environmental and social standards include, but are not limited to:
 - 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

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 (e.g., 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 produced by hens housed in a building, room, or area that allows for unlimited access to food, water, and provides the freedom to roam within the area 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 that was produced without the use of gestation crates.

2.1 A gestation crate is defined as an enclosure for housing an individual breeding sow, where the enclosure fulfills the animal's static space requirements but does not allow for dynamic movement, such as turning around, and is typically non-bedded, with concrete floors and metal stalls.

2.2 The percentage shall be calculated as the revenue from pork that was produced without the use of 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 that are present within, or arise out of, its food and food products supply chain.

1.1 Environmental and social risks may include, but are not limited to:

1.1.1 Impacts on crop and livestock production due to climate change (e.g., changing average temperatures and water stress) that may affect cost and availability of produce, meat, poultry, dairy, and processed foods products

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- 1.1.2 Animal feed price increases resulting from environmental and social factors and/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 Labor rights and immigration reforms that affect food prices and availability
- 1.1.5 International trade barriers and/or varying levels of food safety oversight in a global market
- 1.1.6 Commercial catch limits that could affect the supply of seafood products
- 1.1.7 Animal welfare, human rights, or related supply chain incidents that may result in reputational damage
- 1.2 Relevant strategies to discuss may include, but are not limited to, supplier screening, diversification of suppliers, supplier training programs on environmental best management practices, supplier engagement on labor and human rights issues, and maintenance of a supply chain code of conduct, supply chain audits, and certifications.
- 2 The entity may identify which products or product lines present risks to its operations, the risks that are 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, and/or dairy production conditions, including:
 - 3.1.1 Animal treatment and handling
 - 3.1.2 Housing and transportation conditions
 - 3.1.3 Slaughter facilities and procedures
 - 3.1.4 Use of antibiotics and hormones
 - 3.2 Discussion shall include, but is not limited to:
 - 3.2.1 Any targets the entity has related to animal welfare standards and its progress toward those targets.
 - 3.2.2 Any requirements for suppliers related to animal welfare standards
 - 3.2.3 How, if in any way, animal welfare standards are addressed in supplier contracts
- 4 The entity shall describe its use of animal welfare certifications, where certifications include, but are not limited to: 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 Medically important antibiotics (or “medically important antimicrobial drugs”) are defined according to the U.S. Food and Drug Administration’s (FDA) Veterinary Feed Directive (VFD) as all three tiers (“critically important,” “highly important,” and “important”) of antimicrobial drugs listed in Appendix A to its Guidance for Industry (GFI) #152 to be “medically important.”~~

~~5.1 5.2~~ 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 impacts of packaging, such as optimizing packaging weight and volume for a given application, or using alternative materials, including those that are renewable, recycled, recyclable, or compostable.

2 Relevant disclosure may include, but is not limited to, the following:

2.1 Design innovations, including strategies to optimize the amount of material used; packaging weight, shape, and size; product-to-package ratio; cube utilization; 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 minimization of packaging weight and volume to the amount needed for safety, hygiene, and consumer acceptance of the packed product; minimization 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 and/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, and/or distribution. Tertiary packaging is also known as “distribution” or “transport” packaging.

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- 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 maximization 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 (i.e., time, extent, and quality of function).