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**SASB
STANDARDS**

Now part of IFRS Foundation

FOOD & BEVERAGE SECTOR

RESTAURANTS
Sustainability Accounting Standard

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

Prepared by the
SASB Standards Board

October 2018

INDUSTRY STANDARD | VERSION 2018-10

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 build on the industry-based SASB Standards and leverage SASB's industry-based approach to standards development. The ISSB encourages preparers and investors to continue to provide full support for and to use the SASB Standards until IFRS Sustainability Disclosure Standards replace SASB Standards.

About SASB

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organisation. The SASB Foundation's mission is to establish and maintain industry-specific standards that assist entities in disclosing financially material, decision-useful sustainability information to investors.

The SASB Foundation operates in a governance structure similar to the structure adopted by other internationally recognised bodies that set standards for disclosure to investors, including the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). This structure includes a board of directors ("the Foundation Board") and a standards-setting board ("the Standards Board" or "the SASB"). The Standards Board develops, issues, and maintains the SASB standards. The Foundation Board oversees the strategy, finances and operation of the entire organisation, and appoints the members of the Standards Board.

The Foundation Board is not involved in setting standards, but is responsible for overseeing the Standards Board's compliance with the organisation's due process requirements. As set out in the *SASB Rule of Procedure*, the SASB's standards-setting activities are transparent and follow careful due process, including extensive consultation with entities, investors, and relevant experts.

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INTRODUCTION

Purpose of SASB Standards

The SASB's use of the term "sustainability" refers to corporate activities that maintain or enhance the ability of the company to create value over the long term. Sustainability accounting reflects the governance and management of a company's environmental and social impacts arising from production of goods and services, as well as its governance and management of the environmental and social capitals necessary to create long-term value. The SASB also refers to sustainability as "ESG" (environmental, social, and governance), though traditional corporate governance issues such as board composition are not included within the scope of the SASB's standards-setting activities.

SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location. SASB standards are designed to enable communications on corporate performance on industry-level sustainability issues in a cost-effective and decision-useful manner using existing disclosure and reporting mechanisms.

Businesses can use the SASB standards to better identify, manage, and communicate to investors sustainability information that is financially material. Use of the standards can benefit businesses by improving transparency, risk management, and performance. SASB standards can help investors by encouraging reporting that is comparable, consistent, and financially material, thereby enabling investors to make better investment and voting decisions.

Overview of SASB Standards

The SASB has developed a set of 77 industry-specific sustainability accounting standards ("SASB standards" or "industry standards"), categorized pursuant to SASB's [Sustainable Industry Classification System® \(SICS®\)](#). Each SASB standard describes the industry that is the subject of the standard, including any assumptions about the predominant business model and industry segments that are included. SASB standards include:

1. **Disclosure topics** – A minimum set of industry-specific disclosure topics reasonably likely to constitute material information, and a brief description of how management or mismanagement of each topic may affect value creation.
2. **Accounting metrics** – A set of quantitative and/or qualitative accounting metrics intended to measure performance on each topic.
3. **Technical protocols** – Each accounting metric is accompanied by a technical protocol that provides guidance on definitions, scope, implementation, compilation, and presentation, all of which are intended to constitute suitable criteria for third-party assurance.
4. **Activity metrics** – A set of metrics that quantify the scale of a company's business and are intended for use in conjunction with accounting metrics to normalize data and facilitate comparison.

Furthermore, 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.

The *SASB Conceptual Framework* sets out the basic concepts, principles, definitions, and objectives that guide the Standards Board in its approach to setting standards for sustainability accounting. The *SASB Rules of Procedure* is focused on the governance processes and practices for standards setting.

Use of the Standards

SASB standards are intended for use in communications to investors regarding sustainability issues that are likely to impact corporate ability to create value over the long term. Use of SASB standards is voluntary. A company determines which standard(s) is relevant to the company, which disclosure topics are financially material to its business, and which associated metrics to report, taking relevant legal requirements into account¹. In general, a company would use the SASB standard specific to its primary industry as identified in SICS®. However, companies with substantial business in multiple SICS® industries can consider reporting on these additional SASB industry standards.

It is up to a company to determine the means by which it reports SASB information to investors. One benefit of using SASB standards may be achieving regulatory compliance in some markets. Other investor communications using SASB information could be sustainability reports, integrated reports, websites, or annual reports to shareholders. There is no guarantee that SASB standards address all financially material sustainability risks or opportunities unique to a company's business model.

Industry Description

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

¹ **Legal Note:** SASB standards are not intended to, and indeed cannot, replace any legal or regulatory requirements that may be applicable to a reporting entity's operations.

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-RN-130a.1
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	FB-RN-140a.1
Food & Packaging Waste Management	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	Quantitative	Metric tons (t), Percentage (%)	FB-RN-150a.1
	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-RN-150a.2
Food Safety	(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	Quantitative	Percentage (%)	FB-RN-250a.1
	(1) Number of recalls issued and (2) total amount of food product recalled ²	Quantitative	Number, Metric tons (t)	FB-RN-250a.2
	Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation ³	Quantitative	Number, Percentage (%)	FB-RN-250a.3
Nutritional Content	(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	Quantitative	Percentage (%), Reporting currency	FB-RN-260a.1
	(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	Quantitative	Percentage (%), Reporting currency	FB-RN-260a.2
	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children ⁴	Quantitative	Number, Percentage (%)	FB-RN-260a.3
Labor Practices	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	Quantitative	Rate	FB-RN-310a.1
	(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	Quantitative	Reporting currency, Percentage (%)	FB-RN-310a.2

² Note to **FB-RN-250a.2** – Disclosure shall include a description of notable recalls and corrective actions implemented in response to events.

³ Note to **FB-RN-250a.3** – Disclosure shall include a description of foodborne illness outbreaks that were investigated by the U.S. CDC and corrective actions implemented in response to events.

⁴ Note to **FB-RN-260a.3** – Disclosure shall include a description of the applicable dietary guidelines and the methodology used to estimate advertising impressions.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
	Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination ⁵	Quantitative	Reporting currency	FB-RN-310a.3
Supply Chain Management & Food Sourcing	Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	Quantitative	Percentage (%) by cost	FB-RN-430a.1
	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	Quantitative	Percentage (%) by number, Percentage (%) by weight	FB-RN-430a.2
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	n/a	FB-RN-430a.3

Table 2. Activity Metrics

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

⁵ Note to **FB-RN-310a.3** – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

Energy Management

Topic Summary

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

Accounting Metrics

FB-RN-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable

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

- 3.2 The percentage shall be calculated as renewable energy consumption divided by total energy consumption.
- 3.3 The scope of renewable energy includes renewable fuel the entity consumed, renewable energy the entity directly produced, and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier 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).

Water Management

Topic Summary

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

Accounting Metrics

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

- 1 The entity shall disclose the amount of water, in thousands of cubic meters, that was 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. Where there is no legal definition, fresh water shall be considered to be water that has less than 1,000 parts per million of dissolved solids per the [U.S. Geological Survey](#).
 - 2.2 Water obtained from a water utility in compliance with [U.S. National Primary 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 meters, that was consumed in its operations.
 - 3.1 Water consumption is defined as:
 - 3.1.1 Water that evaporates during withdrawal, usage, 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 analyze all of its operations for water risks and identify activities that withdraw and consume water in locations with High (40–80 percent) or Extremely High (>80 percent) Baseline Water Stress as classified by the World Resources Institute’s (WRI) Water Risk Atlas tool, [Aqueduct](#).
- 5 The entity shall disclose its 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 its water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed.

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Food & Packaging Waste Management

Topic Summary

Restaurants produce waste in two main forms: food and packaging. Food waste is generated during the preparation process as well as by unconsumed food. Food waste results in loss of resources, such as water, energy, land, labor, and capital, and produces GHG emissions as a result of decomposition. Moreover, food ingredient deliveries to restaurants are a significant source of packaging waste. Packaging waste includes packaging received from suppliers and packaging disposed by consumers in the restaurant areas. In addition, limited-service restaurants make heavy use of disposable tableware to serve customers. Municipal and federal regulations around packaging are likely to continue evolving to reduce packaging or improve recyclability or biodegradability of packaging. Companies that are able to stay ahead of regulations will not only see a positive impact on brand reputation, but will likely reduce their cost of compliance. Companies that are able to reduce waste through various methods, including food recovery, diverting waste from landfills, and packaging reclamation programs, can reduce waste handling costs and improve operational efficiency.

Accounting Metrics

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

- 1 The entity shall disclose (1) the total amount of waste generated in metric tons.
 - 1.1 Waste is defined as discarded material for which the entity has no further use, and which would otherwise be discarded or released into the environment.
 - 1.2 The scope of waste shall include solid waste, as defined by U.S. 40 CFR 261.2, such as durable goods, non-durable goods, containers and packaging, food waste, and miscellaneous inorganic wastes.
 - 1.3 The scope of waste shall be limited to waste handled within the entity's facilities, such as food waste, packaging received from suppliers, and waste discarded in facilities by customers.
 - 1.4 The scope of waste excludes (a) waste that is discarded off-site by customers and (b) surplus food from ingredients or prepared food that is unusable by the entity and/or unsaleable to customers, but still fit for human consumption, and may be donated.
- 2 The entity shall disclose (2) the percentage of total waste that comprises food waste.
 - 2.1 Food waste is defined as food and inedible parts for which the entity has no further use and removed from the food supply chain.
 - 2.1.1 Food is defined per the [Food Loss and Waste Accounting and Reporting Standard, Version 1.0 \(FLW Standard\)](#) as any substance— whether processed, semi-processed, or raw— that is intended for human consumption. “Food” includes drink, and any substance that has been used in the manufacture,

preparation, or treatment of food. "Food" also includes material that has spoiled and is therefore no longer fit for human consumption. It does not include cosmetics, tobacco, or substances used only as drugs. It does not include processing agents used along the food supply chain, for example, water to clean or cook raw materials or cooking oil used in food preparation.

2.1.2 Inedible parts are defined per the [FLW Standard](#) as components associated with a food that, in a particular food supply chain, are not intended to be consumed by humans. Examples of inedible parts associated with food could include bones, rinds, and pits/stones. "Inedible parts" do not include packaging. What is considered inedible varies among entities, changes over time, and is influenced by a range of variables including culture, socio-economic factors, availability, price, technological advances, international trade, and geography.

2.2 The percentage shall be calculated as the amount of food waste, in metric tons, divided by the total amount of waste, in metric tons.

3 The entity shall disclose (3) the percentage of waste diverted.

3.1 Waste diversion is the process of reducing waste from landfills, through efforts including, but not limited to, reusing, recycling and/or remanufacturing.

3.1.1 Reused materials are defined as those recovered products or components of products that are used for the same, or a substantially similar, purpose as that for which they were conceived.

3.1.2 Recycled and remanufactured materials are defined as waste materials that have been reprocessed or treated by means of production or manufacturing processes and made into a final product or a component for incorporation into a product. For the purposes of this disclosure, materials that are composted and cooking oil that is recycled for energy use shall be considered as recycled materials.

3.2 The percentage diverted shall be calculated as the sum of the (a) weight of waste material, in metric tons, that was reused, recycled, or remanufactured through treatment or processing by the entity and (b) the weight of waste material sent externally for further reuse, recycling, or remanufacturing, in metric tons, divided by the total weight of waste material generated by the entity, in metric tons.

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

1 The entity shall disclose the total weight of packaging purchased by the entity, in metric tons.

1.1 The scope of disclosure includes any packaging intended to be given to customers (i.e., take-out food packaging) as well as corrugated cardboard and other secondary packaging materials used by the entity behind the counter.

1.2 The scope shall include entities owned or controlled by the organization as well as franchise locations.

- 2 The entity shall disclose the percentage of packaging, by weight, made from recycled and/or renewable materials.
 - 2.1 Recycled content is defined, consistent with definitions in ISO 14021:2016, “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, where only pre-consumer and post-consumer materials shall be considered as recycled content, and where:
 - 2.1.1 Recycled material is defined as material that has been reprocessed from recovered (or reclaimed) material by means of a manufacturing process and made into a final product or a component for incorporation into a product.
 - 2.1.2 Recovered material is defined as material that would have otherwise been disposed of as waste or used for energy recovery, but 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 that has been diverted from the waste stream during a manufacturing process. Excluded is reutilization of materials such as rework, regrind, or scrap that are generated in a process and are capable of being reclaimed within the same process that generated them.
 - 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 the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.
 - 2.2 Renewable material is defined, consistent with the definition of renewable resources in [Global Protocol on Packaging Sustainability 2.0](#), as a resource composed of biomass from a living source and is replenished at a rate equal to or greater than the rate of depletion, where:
 - 2.2.1 “Biomass” is defined as a material of biological origin, excluding materials embedded in geological formations or transformed to fossilized material and excluding peat. This includes 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 (e.g., manure), consistent with the [Global Protocol on Packaging Sustainability 2.0](#).
 - 2.3 The entity shall calculate the percentage as the total weight of packaging made from recycled and/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 which are made from both renewable and nonrenewable 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 the percentage of packaging, by weight, that is recyclable, reusable, and/or compostable.

- 3.1 Recyclable is defined as a product or packaging that can be diverted from the waste stream through available processes and programs and can be collected, processed, and returned to use in the form of raw materials or products, consistent with definitions in ISO 14021:2016, "Environmental labels and declarations– Self-declared environmental claims (Type II environmental labelling)."
- 3.2 Reusable is defined as a product or packaging that has been conceived and designed to accomplish, within its lifecycle, a certain 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 where (a) a program 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 14021:2016, "Environmental labels and declarations– Self-declared environmental claims (Type II environmental labelling)."
- 3.3 Compostable is defined as that which 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 further defined by ASTM Standard D6400, 2004, "Standard Specification for Compostable Plastics."
- 3.4 The percentage is calculated as the total weight of recyclable, reusable and/or compostable packaging divided by the total weight of all packaging used by the entity.
- 4 The entity may break down the disclosure requested above by major packaging substrate (e.g., wood fiber, glass, metal, and petroleum-based).

Food Safety

Topic Summary

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

Accounting Metrics

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

- 1 The entity shall disclose the percentage of restaurants that were inspected for food safety by a food safety oversight body at least once during the reporting period.
 - 1.1 The scope of inspections covers those carried out by a health and/or food safety oversight body, including any local, county, state, or national health organization with jurisdiction over compliance with health codes and regulations.
 - 1.2 The percentage shall be calculated as the number of restaurants that were inspected at least once by a food safety oversight body during the reporting period divided by the total number of restaurants in operation during the reporting year.
- 2 The entity shall disclose the percentage of its inspected restaurants that received critical violations from a food safety oversight body.
 - 2.1 A critical violation is defined as any violation issued by a food safety oversight body that, if left uncorrected, directly relate to the transmission of foodborne illnesses, the adulteration of food products, and/or the contamination of food-contact surfaces.
 - 2.2 The percentage shall be calculated as the number of inspected restaurants that received critical violations during the reporting period divided by the total number of restaurants that were inspected at least once by a food safety oversight body during the reporting period.
- 3 The scope of disclosure shall include both company-owned and franchise locations.

- 4 The entity may discuss its approach to assuring food safety in its operations in regions where inspections are not routinely conducted.

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

- 1 The entity shall disclose (1) the total number of food safety-related recalls issued.
 - 1.1 A food safety-related recall is defined as removal of a marketed product that occurs when there is reason to believe that a food may cause consumers to become ill.
- 2 The entity shall disclose (2) the total amount, in metric tons, of food product subject to recalls.
- 3 The scope of disclosure includes voluntary recalls initiated by the entity and involuntary recalls requested and/or mandated by regulatory authorities [e.g., China Food and Drug Administration (CFDA) and U.S. Food and Drug Administration (FDA)].
- 4 The scope of disclosure shall include both company-owned and franchise locations.
- 5 The entity may disclose the percentage of recalls that were voluntarily issued and the percentage of recalls that were involuntarily issued.

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

- 1 The entity shall provide a discussion of notable recalls.
 - 1.1 Notable recalls are those that affected a significant number of units of one product or those related to serious illness or fatality.
 - 1.2 Relevant information to provide may include, but is not limited to:
 - 1.2.1 Description and cause of the recall issue
 - 1.2.2 The total amount of food products recalled
 - 1.2.3 The cost to remedy the issue
 - 1.2.4 Whether the recall was voluntary or involuntary
 - 1.2.5 Corrective actions
 - 1.2.6 Any other significant outcomes (e.g., legal proceedings or consumer fatalities)

FB-RN-250a.3. Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation

- 1 The entity shall disclose the total number of incidents of confirmed foodborne illness outbreak associated with its restaurants.
 - 1.1 Foodborne illness is defined as sickness resulting from different disease-causing microbes or pathogens, poisonous chemicals, or other toxins that can contaminate foods.
 - 1.2 Foodborne illness outbreak is defined as two or more cases of foodborne illness occurring during a limited period of time with the same organism, and that are associated with either the same food-service operation, such as a restaurant, or the same food product.
 - 1.2.1 In the case of botulism, a single case is considered an outbreak due to the severity of the illness and the possibility that a source food may cause others to become seriously ill.
 - 1.3 Confirmed foodborne illness outbreaks are defined as those that were investigated by national, state, local, and/or regional public health officials and found to be valid cases of foodborne illness outbreak.
- 2 The entity shall disclose the percentage of confirmed foodborne illness outbreaks that resulted in U.S. Centers for Disease Control and Prevention (CDC) investigation.
 - 2.1 Outbreaks that resulted in investigation by the U.S. CDC may include those that involve large numbers of people, severe or unusual illness, or widespread outbreaks that affect many states at once.
 - 2.2 The scope excludes those investigations that were conducted exclusively at the local or state level and successfully concluded.
 - 2.3 The percentage is calculated as the total number of confirmed foodborne illness outbreaks that reached the level of severity resulting in U.S. CDC investigation divided by the total number of confirmed foodborne illness outbreaks that occurred within the U.S. CDC's jurisdiction.
- 3 The scope of disclosure shall include both company-owned and franchise locations.
- 4 The entity may describe its approach to ensuring food safety in its restaurants.
 - 4.1 Relevant discussion include, but is not limited to internal food safety audits, implementation of the Council to Improve Foodborne Outbreak Response (CIFOR) [Foodborne Illness Response Guidelines for Owners, Operators, and Managers of Food Establishments](#), or other measures to assure compliance with the U.S. Food and Drug Administration's (FDA) [Food Code](#) or equivalent national guidelines (e.g., [EU General Principles of Food Law](#) or Chinese National Food Safety Standards).

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

1 The entity shall provide a discussion of foodborne illness outbreaks that were investigated by the U.S. CDC and associated corrective actions implemented in response to events.

1.1 Relevant information to provide includes, but is not limited to:

1.1.1 Description and cause of the foodborne illness outbreak

1.1.2 The cost to remedy the issue

1.1.3 Corrective actions

1.1.4 Any other significant outcomes (e.g., legal proceedings or customer fatalities)

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Nutritional Content

Topic Summary

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

Accounting Metrics

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

- 1 The entity shall disclose (1) the percentage of meal options that are consistent with applicable national dietary guidelines.
 - 1.1 National dietary guidelines include:
 - 1.1.1 Dietary Guidelines for Americans
 - 1.1.2 Dietary Guidelines for Chinese Residents
 - 1.1.3 EU Food-Based Dietary Guidelines
 - 1.1.4 Other guidelines provided by national governmental agencies or regulators that contain daily nutritional values and are substantially equivalent to the guidelines referenced above.
 - 1.2 A meal option is defined as an entrée, side, and beverage for limited service restaurants and an entrée and a beverage for full service restaurants.
 - 1.2.1 The entity shall use menu items that are commonly paired together by customers, advertised together as combinations, or are placed together as a specially promoted meal combination to determine possible meal combinations.
 - 1.2.2 For restaurants where choices are generally à la carte, the entity shall use a consistent approach for calculating meal options using menu items generally paired together as meals.
 - 1.3 The entity shall use the nutritional content for the standard menu items that are served to the customer by default, without a request for item or ingredient substitutes or additions, to calculate the nutritional content of a meal option.

- 1.4 The percentage is calculated as the number of possible combinations of meal options that are consistent with one-third of the daily nutritional values in the applicable national dietary guidelines divided by the total number of possible combinations of meal options offered by the entity.
- 2 The entity shall disclose (2) its revenue from the combinations of meal options that are consistent with the applicable national dietary guidelines.
- 3 The scope of disclosure shall include both company-owned and franchise locations.
- 4 If meal options in a portion of an entity's operations are not tracked in such a manner that allows for precise measurement, estimation is acceptable.
 - 4.1 In such a case, the entity shall disclose the estimation methodology used to calculate the sales of combinations of meal options, and the percentage of operations for which it was employed.

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

- 1 The entity shall disclose (1) the percentage of children's meal options that are consistent with applicable national dietary guidelines for children.
 - 1.1 A children's meal option is one that is directly targeted at children aged 2-11 years old.
 - 1.2 National dietary guidelines for children are defined as international, national, regional, or industry guidelines or criteria developed to promote healthy diets among children. National dietary guidelines for children include:
 - 1.2.1 [China National Dietary Guideline for School Children](#)
 - 1.2.2 [EU Food and Nutrition Policy for Schools](#)
 - 1.2.3 [U.S. Department of Agriculture \(USDA\) Nutrition Standards in the National School Lunch and School Breakfast Programs](#)
 - 1.2.4 Other guidelines provided by national governmental agencies or regulators that contain daily nutritional values for children and are substantially equivalent to the guidelines referenced above
 - 1.3 A meal option is defined as an entrée, side, and beverage for limited service restaurants and an entrée and a beverage for full service restaurants.
 - 1.3.1 The entity shall use menu items that are commonly paired together by customers, advertised together as combinations, or are placed together as a specially promoted meal combination to determine possible meal combinations.

- 1.3.2 For restaurants where choices are generally à la carte, the entity shall use a consistent approach for calculating meal options using menu items generally paired together as meals.
 - 1.4 The entity shall use the nutritional content for the standard menu items that are served to the customer by default, without a request for item or ingredient substitutes or additions, to calculate the nutritional content of a meal option.
 - 1.5 The percentage is calculated as the number of possible combinations of meal options that are consistent with one-third of the daily nutritional values in the applicable national dietary guidelines divided by the total number of possible combinations of meal options offered by the entity.
- 2 The entity shall disclose (2) its revenue from the combinations of meal options that are consistent with the applicable national dietary guidelines for children.
- 3 The scope of disclosure shall include sales from both company-owned and franchise locations.
- 4 If children's meal options in a portion of an entity's operations are not tracked in such a manner that allows for precise measurement, estimation is acceptable.
 - 4.1 In such a case, the entity shall disclose the estimation methodology used to calculate the sales of combinations of children's meal options, and the percentage of operations for which it was employed.

FB-RN-260a.3. Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children

- 1 The entity shall disclose the total number 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 include, but are not limited to, those made through media such as television, radio, print, the Internet (company-owned and third-party websites), mobile apps, interactive games (including advergames), video games, computer games, DVDs and other video formats, word-of-mouth, and licensed characters, celebrity and movie tie-ins.
 - 1.2 Children are defined as age 12 and under.
 - 1.3 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 to children.
 - 1.3.1 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 to children. For example, the 35% threshold used in the [Children's Food and Beverage Initiative \(CFBAI\) Program and Core Principles Statement, 4th Edition](#), is not applicable to the above calculation of advertising impressions made on children.

- 2 The entity shall disclose the percentage of advertising impressions made on children that promote products which meet national dietary guidelines for children.
 - 2.1 National dietary guidelines for children are defined as international, national, regional, or industry guidelines or criteria developed to promote healthy diets among children. National dietary guidelines for children include:
 - 2.1.1 China National Dietary Guideline for School Children
 - 2.1.2 EU [Food and Nutrition Policy for Schools](#)
 - 2.1.3 U.S. Department of Agriculture (USDA) [Nutrition Standards in the National School Lunch and School Breakfast Programs](#)
 - 2.1.4 Other guidelines provided by national governmental agencies or regulators that contain daily nutritional values for children and are substantially equivalent to the guidelines referenced above
 - 2.2 The percentage is calculated as the number of advertising impressions made on children that promote products that national dietary guidelines for children, divided by the total number of advertising impressions made on children.

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

- 1 The entity shall disclose the specific dietary guidelines for children that it used to calculate the percentage of advertising impressions made on children that promote products that meet such guidelines.
- 2 The entity shall disclose its methodology for collecting data and estimating the number of advertising impressions made on children, where reasonable estimation methods include, but are not limited to:
 - 2.1 Gross rating points and target ratios to determine impressions from television, radio, and print advertising.
 - 2.2 Average visits per month, average page visits per month, and targeted index by age for company-owned websites.
 - 2.3 Total number of advertising impressions viewed and child audience share on third-party websites, mobile apps, interactive games (including advergames), video games, and computer games.

Labor Practices

Topic Summary

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

Accounting Metrics

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

- 1 The entity shall disclose (1) the voluntary employee turnover rate for restaurant employees as a percentage.
 - 1.1 Restaurants employees are defined as employees that work on-site at a restaurant.
 - 1.2 The entity shall calculate the voluntary turnover rate as the total number of employee-initiated voluntary separations (e.g., resignations, retirement) during the reporting period, divided by the total number of employees during the reporting period.
- 2 The entity shall disclose (2) the involuntary employee turnover rate for restaurant employees.
 - 2.1 The entity shall calculate the involuntary turnover rate as the total number of entity-initiated separations (e.g., dismissal, downsizing, redundancy, non-renewal of contract) during the reporting period, divided by the total number of employees during the reporting period.
- 3 The scope of disclosure includes entity-owned restaurants.
- 4 The scope of disclosure excludes franchise restaurants.
- 5 The scope of disclosure excludes corporate staff and executives.

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

- 1 The entity shall disclose (1) the average hourly wage paid to restaurant employees for each geographic region for which it conducts segment financial reporting.
 - 1.1 Restaurant employees are defined as non-manager employees earning an hourly wage at company-owned and franchise locations.
 - 1.2 The entity shall calculate the average hourly wage as the total wages, including tips but excluding overtime pay, paid to restaurant employees for the reporting period divided by the number of regular hours worked, excluding overtime hours, by restaurant employees during the reporting period.
- 2 The entity shall disclose (2) the percentage of restaurant employees that earn minimum wage before tips.
 - 2.1 Minimum wage is defined as the locally mandated minimum wage applicable for each employee.
 - 2.2 For countries or regions with no minimum wage requirement, the 10th percentile hourly wage of all wage earners in that country or region shall be used.
 - 2.3 The entity shall calculate the percentage by dividing the number of restaurant employees that earn minimum wage by the total number of restaurant employees.
- 3 The scope of disclosure excludes salaried and corporate employees.
- 4 The entity may discuss the average prevailing minimum wage, weighted on an hours-worked basis, for each geographic 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 minimum wage, including:
 - 5.1 The likelihood of a minimum wage increase in the regions where the entity operates, and the regions in which this is most likely to occur
 - 5.2 The percentage of its current in-store and distribution center employees whose salaries are near the current minimum wage, and whose salaries may necessitate an increase given a change in minimum wage regulations
 - 5.3 The magnitude of the financial impact that a minimum wage increase would likely have on the entity

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

- 1 The entity shall disclose the total amount of monetary losses it incurred during the reporting period as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination.

- 1.1 Labor violation is defined as violations including, but not limited to, those relating to wages, work hours, overtime, and meal and rest breaks.
- 1.2 Employment discrimination is defined as discrimination on the basis of age, disability, compensation, genetic information, harassment, national origin, pregnancy, race/color, religion, retaliation, sex, and sexual harassment.
- 2 The legal proceedings shall include any adjudicative proceeding in which the entity was involved, whether before a court, a regulator, an arbitrator, or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement or verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (e.g., civil judgments or settlements), regulatory proceedings (e.g., penalties, disgorgement, or restitution), and criminal actions (e.g., criminal judgment, penalties, or restitution) brought by any entity (e.g., governmental, business, or individual).
- 4 The scope of disclosure shall include company-owned and franchise locations.
- 5 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defense.
- 6 The scope of disclosure shall include, but is not limited to, legal proceedings associated with the enforcement of relevant industry regulations, such as:
 - 6.1 U.S. Age Discrimination in Employment Act (ADEA)
 - 6.2 U.S. Americans with Disabilities Act
 - 6.3 U.S. Equal Pay Act of 1963
 - 6.4 U.S. Fair Labor Standards Act
 - 6.5 U.S. Genetic Information Nondiscrimination Act (GINA)
 - 6.6 U.S. Pregnancy Discrimination Act (PDA)
 - 6.7 U.S. Rehabilitation Act of 1973
 - 6.8 U.S. Title VII of the Civil Rights Act of 1964

Note to **FB-RN-310a.3**

- 1 The entity shall briefly describe the nature (e.g., judgment or order issued after trial, settlement, guilty plea, deferred prosecution agreement, or non-prosecution agreement) and context (e.g., improper working conditions and unfair compensation) of all monetary losses as a result of legal proceedings.

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- 2 The entity shall describe any corrective actions it has implemented as a result of the legal proceedings. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

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Supply Chain Management & Food Sourcing

Topic Summary

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

Accounting Metrics

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

- 1 The entity shall disclose (1) the percentage of food purchased that meets both environmental and social sourcing standards.
 - 1.1 Environmental standards are defined as standards that address environmental impacts related to food production such as, protection of natural resources and improvements in resource efficiency.
 - 1.2 Social standards are defined as standards that address social impacts related to food production such as, treatment of workers and community, animal health and welfare, and food quality and safety.
 - 1.3 The percentage shall be calculated as the cost of food (and food products) purchased that meets environmental and social standards divided by the total cost of food (and food products) purchased.
 - 1.4 The scope of environmental and/or social standards includes programs, guidelines, best practices, criteria, codes of conduct, and certifications that are developed internally, through industry initiatives, or by third-parties.
 - 1.5 Examples of environmental and social sourcing standards include, but are not limited to:
 - 1.5.1 Global Roundtable for Sustainable Beef [Principles & Criteria for Defining Global Sustainable Beef](#)
 - 1.5.2 IDH [Sustainability Initiative Fruits and Vegetables \(SIFAV\)](#)

1.5.3 Sustainable Agriculture Initiative (SAI) Platform, Principles & Practices for Dairy Farming, Sustainable Fruit Production, Sustainable Green Coffee Production, and Sustainable Production of Arable & Vegetable Crops

2 The entity shall disclose (2) the percentage of food purchased that has been certified to a third-party environmental and/or social standard.

2.1 The percentage shall be calculated as the cost of food (and food products) purchased that has been certified to a third-party environmental and/or social standard divided by the total cost of food (and food products) purchased.

2.2 Examples of certifications to third-party environmental and social standards include, but are not limited to:

2.2.1 Fairtrade International

2.2.2 Fair Trade USA

2.2.3 Marine Stewardship Council

2.2.4 Rainforest Alliance Certified

2.2.5 Roundtable on Responsible Soy (RTRS)

2.2.6 Roundtable on Sustainable Palm Oil (RSPO)

3 The entity shall generally indicate which third-party environmental and social standards it uses.

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

1 The entity shall disclose (1) the percentage of eggs purchased that originated from a cage-free environment.

1.1 Eggs that originated from a cage-free environment are 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 number of eggs purchased that originated from a cage-free environment divided by the total number of eggs purchased.

2 The entity shall disclose (2) the percentage of pork 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 weight of pork purchased that was produced without the use of gestation crates divided by the total weight of pork purchased.
 - 2.2.1 Weight of production shall be calculated using carcass weight or retail weight (where the entity has sourced pork or pork products that have already been processed).
- 3 The scope of disclosure shall include eggs and pork purchased for company-owned and franchise locations.

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

- 1 The entity shall discuss its strategic approach to managing its environmental and social risks 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
 - 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 (GI) # 157 to be “medically important.”
 - 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.



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