



**SASB
STANDARDS**

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FOOD & BEVERAGE SECTOR

MEAT, POULTRY & DAIRY

Sustainability Accounting Standard

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

Prepared by the
Sustainability Accounting Standards Board

October 2018

INDUSTRY STANDARD | VERSION 2018-10

MEAT, POULTRY & DAIRY

Sustainability Accounting Standard

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.

Historical Information About the SASB Foundation

These materials were developed under the auspices of the SASB Foundation. The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. The SASB Foundation's mission was to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. The SASB Foundation operated in a governance structure similar to the structure adopted by other internationally recognized bodies that set standards for disclosure to investors, including the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). This structure included a board of directors ("the Foundation Board") and a standards-setting board ("the Standards Board" or "the SASB"). The Standards Board developed, issued, and maintained the SASB Standards. The Foundation Board oversaw the strategy, finances, and operations of the entire organization, and appointed the members of the Standards Board. The Foundation Board was not involved in setting standards, but was responsible for overseeing the Standards Board's compliance with the organization's due process requirements. As set out in the SASB Rules of Procedure, the SASB's standards-setting activities were transparent and followed careful due process, including extensive consultation with companies, investors, and relevant experts. The SASB Foundation was funded by a range of sources, including contributions from philanthropies, companies, and individuals, as well as through the sale and licensing of publications, educational materials, and other products.

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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

The Meat, Poultry & Dairy industry produces raw and processed animal products, including meats, eggs, and dairy products, for human and animal consumption. Key activities include animal raising, slaughtering, processing, and packaging. The industry's largest companies have international operations, and companies are vertically integrated to varying degrees, depending on the type of animal produced. Large industry operators typically rely on contract or independent farmers to supply their animals, and may have varying degrees of control over their operations. The industry sells products primarily to the Processed Foods industry and to retail distributors that distribute finished products to key end markets including restaurants, livestock and pet feed consumers, and grocery retailers.

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
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ -e	FB-MP-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	FB-MP-110a.2
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-MP-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-MP-140a.1
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-MP-140a.2
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Quantitative	Number	FB-MP-140a.3
Land Use & Ecological Impacts	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	Quantitative	Metric tons (t), Percentage (%)	FB-MP-160a.1
	Percentage of pasture and grazing land managed to Natural Resources Conservation Service (NRCS) conservation plan criteria	Quantitative	Percentage (%) by hectares	FB-MP-160a.2
	Animal protein production from concentrated animal feeding operations (CAFOs)	Quantitative	Metric tons (t)	FB-MP-160a.3
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-MP-250a.1
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	Quantitative	Percentage (%)	FB-MP-250a.2
	(1) Number of recalls issued and (2) total weight of products recalled ²	Quantitative	Number, Metric tons (t)	FB-MP-250a.3
	Discussion of markets that ban imports of the entity's products	Discussion and Analysis	n/a	FB-MP-250a.4

² Note to **FB-MP-250a.3** – Disclosure shall include a description of notable recalls, such as those that affected a significant amount of product or those related to serious illness or fatality.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Antibiotic Use in Animal Production	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type	Quantitative	Percentage (%) by weight	FB-MP-260a.1
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Quantitative	Rate	FB-MP-320a.1
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	Discussion and Analysis	n/a	FB-MP-320a.2
Animal Care & Welfare	Percentage of pork produced without the use of gestation crates	Quantitative	Percentage (%) by weight	FB-MP-410a.1
	Percentage of cage-free shell egg sales	Quantitative	Percentage (%)	FB-MP-410a.2
	Percentage of production certified to a third-party animal welfare standard	Quantitative	Percentage (%) by weight	FB-MP-410a.3
Environmental & Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing the Natural Resources Conservation Service (NRCS) conservation plan criteria or the equivalent	Quantitative	Percentage (%) by weight	FB-MP-430a.1
	Percentage of supplier and contract production facilities verified to meet animal welfare standards	Quantitative	Percentage (%)	FB-MP-430a.2
Animal & Feed Sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by weight	FB-MP-440a.1
	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by contract value	FB-MP-440a.2
	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	Discussion and Analysis	n/a	FB-MP-440a.3

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of processing and manufacturing facilities	Quantitative	Number	FB-MP-000.A
Animal protein production, by category; percentage outsourced ³	Quantitative	Various, Percentage (%)	FB-MP-000.B

³ Note to **FB-MP-000.B** – Categories of animal protein production may be based on animal (e.g., chicken, pork, beef) and/or product type (e.g., milk, shell eggs). Units of measure shall be appropriate to the animal or product category (e.g., metric tons, number/head, gallons).

Greenhouse Gas Emissions

Topic Summary

The Meat, Poultry & Dairy industry generates significant Scope 1 greenhouse gas (GHG) emissions from both livestock and energy-intensive industrial processes. GHG emissions contribute to climate change and create additional regulatory compliance costs and risks for meat, poultry, and dairy companies due to climate change mitigation policies. The majority of the industry's emissions stem directly from the animals themselves through the release of methane during enteric fermentation, and from manure storage and processing. The direct emissions from raising and producing livestock represent a significant portion of total GHG emissions released among all sources, both in the U.S. and globally. These emissions sources are currently not widely regulated, which presents uncertainties as to the future of GHG regulations for the industry. Companies in this industry also use large quantities of fossil fuels to meet energy needs, generating additional direct GHG emissions and increasing exposure to regulatory risks. Future emission regulations could result in additional operating and/or compliance costs. By implementing new technologies to capture animal emissions and focusing on energy efficiency, companies can mitigate regulatory risk and volatile energy costs while also limiting their GHG emissions.

Accounting Metrics

FB-MP-110a.1. Gross global Scope 1 emissions

- 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).
 - 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.
- 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 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:

- 2.1.1 *GHG Reporting Guidance for the Aerospace Industry* published by International Aerospace Environmental Group (IAEG)
 - 2.1.2 *Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources* published by the U.S. Environmental Protection Agency (EPA)
 - 2.1.3 India GHG Inventory Program
 - 2.1.4 ISO 14064-1
 - 2.1.5 *Petroleum Industry Guidelines for reporting GHG emissions*, 2nd edition, 2011, published by IPIECA
 - 2.1.6 *Protocol for the quantification of greenhouse gas emissions from waste management activities* published by Entreprises pour l'Environnement (EpE)
- 2.2 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-MP-110a.2. Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

- 1 The entity shall discuss its long-term and short-term strategy or plan to manage its Scope 1 greenhouse gas (GHG) emissions.
 - 1.1 Scope 1 emissions are defined according to *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).

- 1.2 The scope of GHG emissions includes 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).
- 2 The entity shall discuss its emission reduction target(s) and analyze its performance against the target(s), including the following, where relevant:
 - 2.1 The scope of the emission reduction target (e.g., the percentage of total emissions to which the target is applicable);
 - 2.2 Whether the target is absolute- or intensity-based, and the metric denominator, if it is an intensity-based target;
 - 2.3 The percentage reduction against the base year, with the base year representing the first year against which emissions are evaluated toward the achievement of the target;
 - 2.4 The timelines for the reduction activity, including the start year, the target year, and the base year;
 - 2.5 The mechanism(s) for achieving the target; and
 - 2.6 Any circumstances in which the target or base year emissions have been, or may be, recalculated retrospectively or the target or base year has been reset.
- 3 The entity shall discuss the activities and investments required to achieve the plans and/or targets, and any risks or limiting factors that might affect achievement of the plans and/or targets.
- 4 The entity shall discuss the scope of its strategies, plans, and/or reduction targets, such as how they relate to different business units, geographies, or emissions sources.
- 5 The entity shall discuss whether its strategies, plans, and/or reduction targets are related to, or associated with, emissions limiting and/or emissions reporting-based programs or regulations (e.g., the EU Emissions Trading Scheme, Quebec Cap-and-Trade System, California Cap-and-Trade Program), including regional, national, international, or sectoral programs.
- 6 Disclosure of strategies, plans, and/or reduction targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.

Energy Management

Topic Summary

The Meat, Poultry & Dairy industry relies heavily on purchased electricity and fuel as critical inputs for value creation. Companies' use of electricity and fossil fuels in their operations results in direct and indirect greenhouse gas (GHG) emissions, which contribute to environmental impacts, including climate change and pollution. Purchased electricity is a significant operating cost for meat, poultry, and dairy companies. Efficient energy usage is essential to maintain a competitive advantage in this industry, as purchased fuels and electricity account for a significant portion of total production costs. Decisions regarding the use of alternative fuels, renewable energy, and on-site generation of electricity versus purchasing from the grid can play an important role in influencing both the costs and the reliability of the energy supply.

Accounting Metrics

FB-MP-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

The Meat, Poultry & Dairy industry is water-intensive both in raising livestock and industrial processing. Additionally, companies in the industry typically generate wastewater, or effluent, from both animal production and processing activities. As water scarcity becomes an issue of growing importance due to population growth, increasing consumption per capita, poor water management, and climate change, companies in the industry may face higher operational costs or lost revenues due to water shortages and/or regulations resulting in production reduction. Companies can manage water-related risks and opportunities through capital investments and assessment of facility locations relative to water scarcity risks, improvements to operational efficiency, and partnerships with regulators and communities on issues related to water access and effluent.

Accounting Metrics

FB-MP-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.

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

- 1 The entity shall describe its water management risks associated with water withdrawals, water consumption, and discharge of water and/or wastewater.
 - 1.1 Risks associated with water withdrawals and water consumption include risks to the availability of adequate, clean water resources, including, but not limited to:
 - 1.1.1 Environmental constraints—such as operating in water-stressed regions, drought, concerns of aquatic impingement or entrainment, interannual or seasonal variability, and risks due to the impact of climate change
 - 1.1.2 Regulatory and financial constraints—such as volatility in water costs, stakeholder perceptions and concerns related to water withdrawals (e.g., those from local communities, non-governmental organizations, and regulatory agencies), direct competition with and impact from the actions of other users (e.g., commercial and municipal users), restrictions to withdrawals due to regulations, and constraints on the entity’s ability to obtain and retain water rights or permits
 - 1.2 Risks associated with the discharge of water and/or wastewater, include, but are not limited to, the ability to obtain rights or permits related to discharges, compliance with regulations related to discharges, restrictions to discharges, the ability to maintain control over the temperature of water discharges, liabilities and/or reputational risks, and increased operating costs due to regulation, stakeholder perceptions and concerns related to water discharges (e.g., those from local communities, non-governmental organizations, and regulatory agencies).
- 2 The entity may describe water management risks in the context of:

- 2.1 How risks may vary by withdrawal source, including surface water (including water from wetlands, rivers, lakes, and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities, or other entities; and
- 2.2 How risks may vary by discharge destinations, including surface water, groundwater, or wastewater utilities.
- 3 The entity may discuss the potential impacts that water management risks may have on its operations and the timeline over which such risks are expected to manifest.
 - 3.1 Impacts may include, but are not limited to, those associated with costs, revenues, liabilities, continuity of operations, and reputation.
- 4 The entity shall discuss its short-term and long-term strategies or plan to mitigate water management risks, including, but not limited to:
 - 4.1 The scope of its strategy, plans, goals and/or targets, such as how they relate to different business units, geographies, or water-consuming operational processes.
 - 4.2 Any water management goals and/or targets it has prioritized, and an analysis of performance against those goals and/or targets.
 - 4.2.1 Goals and targets may include, but are not limited to, those associated with reducing water withdrawals, reducing water consumption, reducing water discharges, reducing aquatic impingements, improving the quality of water discharges, and regulatory compliance.
 - 4.3 The activities and investments required to achieve the plans, goals and/or targets, and any risks or limiting factors that might affect achievement of the plans and/or targets.
 - 4.4 Disclosure of strategies, plans, goals, and/or targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.
- 5 For water management targets, the entity shall additionally disclose:
 - 5.1 Whether the target is absolute or intensity-based, and the metric denominator if it is an intensity-based target.
 - 5.2 The timelines for the water management plans, including the start year, the target year, and the base year.
 - 5.3 The mechanism(s) for achieving the target, including:
 - 5.3.1 Efficiency efforts, such as the use of water recycling and/or closed-loop systems;
 - 5.3.2 Product innovations such as redesigning products or services to require less water;

- 5.3.3 Process and equipment innovations, such as those that enable the reduction of aquatic impingements or entrainments;
 - 5.3.4 Use of tools and technologies (e.g., the [World Wildlife Fund Water Risk Filter](#), [The Global Water Tool](#), and [Water Footprint Network Footprint Assessment Tool](#)) to analyze water use, risk, and opportunities; and
 - 5.3.5 Collaborations or programs in place with the community or other organizations.
- 5.4 The percentage reduction or improvement from the base year, where the base year is the first year against which water management targets are evaluated toward the achievement of the target.
- 6 The entity shall discuss whether its water management practices result in any additional lifecycle impacts or tradeoffs in its organization, including tradeoffs in land use, energy production, and greenhouse gas (GHG) emissions, and why the entity chose these practices despite lifecycle tradeoffs.

FB-MP-140a.3. Number of incidents of non-compliance with water quality permits, standards, and regulations

- 1 The entity shall disclose the total number of instances of non-compliance, including violations of a technology-based standard and exceedances of quantity and/or quality-based standards.
- 2 The scope of disclosure includes incidents governed by national, state, and local statutory permits and regulations, including, but not limited to, the discharge of a hazardous substance, violation of pretreatment requirements, or total maximum daily load (TMDL) exceedances.
- 3 The scope of disclosure shall only include incidents of non-compliance that resulted in a formal enforcement action(s).
 - 3.1 Formal enforcement actions are defined as governmental actions that address a violation or threatened violation of water quantity and/or quality laws, regulations, policies, or orders, and can result in administrative penalty orders, administrative orders, and judicial actions, among others. For example, the U.S. Environmental Protection Agency (EPA) provides guidance on the scope of formal enforcement actions in, [Informal and Formal Actions, Summary Guidance and Portrayal on EPA Websites](#).
- 4 Violations shall be disclosed, regardless of their measurement methodology or frequency. These include:
 - 4.1 Continuous discharges, limitations, standards, and prohibitions that are generally expressed as maximum daily, weekly average, and monthly averages.
 - 4.2 Non-continuous discharges and limitations that are generally expressed in terms of frequency, total mass, maximum rate of discharge, and mass or concentration of specified pollutants.

Land Use & Ecological Impacts

Topic Summary

Meat, Poultry & Dairy industry operations have diverse ecological impacts, primarily because of significant land-use needs to raise livestock and the contamination of the air, land, and groundwater by animal waste. While the impacts are different, both traditional and Concentrated Animal Feeding Operations (CAFO) lead to significant ecological impacts. The primary concern from CAFOs and animal-product processing facilities is the generation of large and concentrated amounts of waste and pollutants into the environment. Treating effluent and waste from facilities involves significant costs. Non-CAFO animal farming, which requires large tracts of pastureland, can lead to physical degradation of land resources. Land use and ecological impacts pose legal and regulatory risks in the form of fines, litigation, and difficulties obtaining permits for facility expansions or waste discharges.

Accounting Metrics

FB-MP-160a.1. Amount of animal litter and manure generated, percentage managed according to a nutrient management plan

- 1 The entity shall disclose the total amount, in metric tons, of animal litter and manure generated at its facilities.
 - 1.1 The scope of animal litter and manure includes both dry and liquid manures and litter.
- 2 The entity shall disclose the percentage of animal litter and manure generated from facilities that implement a nutrient management plan divided by the total amount of animal litter and manure generated.
 - 2.1 A nutrient management plan is defined as a documented management practice that addresses the generation, collection, treatment, storage, and agronomic use of all manure.
 - 2.2 At a minimum, the nutrient management plan shall meet the minimum specific elements of the Natural Resources Conservation Service (NRCS) Comprehensive Nutrient Management Plan (CNMP), which include:
 - 2.2.1 Background and Site Information
 - 2.2.2 Manure and Wastewater Handling and Storage
 - 2.2.3 Farmstead Safety and Security
 - 2.2.4 Land Treatment Practices
 - 2.2.5 Soil and Risk Assessment Analyses

2.2.6 Nutrient Management according to the criteria in the Nutrient Management Conservation Practice (Code 590)

2.2.7 Recordkeeping

2.2.8 References

- 3 The scope of disclosure includes facilities that the entity owns and operates, facilities from which it contracts animal production (e.g., independent producers), and facilities that otherwise supply animal protein to the entity (e.g., for processing by the entity).
- 4 The scope of disclosure includes production areas and land treatment areas.
 - 4.1 Production area includes the animal confinement area, storage areas for feed and other raw materials, animal mortality facilities, and manure-handling containment or storage areas.
 - 4.2 Land treatment area includes land under control of the entity and/or its contracted suppliers (e.g., independent producers), whether it is owned, rented, or leased, to which manure or process wastewater is, or might be, applied for crop, hay, or pasture production or other uses.

FB-MP-160a.2. Percentage of pasture and grazing land managed to Natural Resources Conservation Service (NRCS) conservation plan criteria

- 1 The entity shall disclose the percentage of pasture and grazing land that is managed to the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) conservation plan criteria.
 - 1.1 Land shall be considered to be managed to NRCS conservation plan criteria if its management follows the planning process described by the [National Planning Procedures Handbook](#) and management practices outlined in the [National Range and Pasture Handbook \(NRPH\)](#), USDA NRCS, Grazing Lands Technology Institute Revision 1, December 2003.
 - 1.2 The percentage shall be calculated as the area of pasture and grazing land managed to NRCS conservation plan criteria divided by the total area of pasture and grazing land.
- 2 The scope of disclosure includes land defined by the [NRPH](#) as rangeland, which includes grazed forest, naturalized pasture, pastureland, hayland, and grazed and hayed cropland.
 - 2.1 The scope of disclosure includes land from operations that the entity owns and operates, operations with which it contracts animal production (e.g., independent producers), and operations that otherwise supply animal protein to the entity (e.g., for processing by the entity).

FB-MP-160a.3. Animal protein production from concentrated animal feeding operations (CAFOs)

- 1 The entity shall disclose the amount, in metric tons, of animal protein production from concentrated animal feeding operations (CAFOs).
 - 1.1 CAFOs are defined according to U.S. 40 CFR 40, Part 122.23, “Concentrated animal feeding operations.”
 - 1.2 The amount shall be calculated as the carcass (or dressed) weight of animal protein.
 - 1.2.1 Carcass is defined according to U.S. 9 CFR 301.2 as all parts, including viscera, of any slaughtered livestock.
- 2 The scope includes animal protein from operations that the entity owns and operates, operations with which it contracts animal production (e.g., independent producers), and operations that otherwise supply animal protein to the entity (e.g., for processing by the entity).

Food Safety

Topic Summary

Meat, poultry, and dairy products are either sold directly to consumers (e.g., milk or eggs) or are further processed into a wide variety of foods. Maintaining product quality and safety is crucial, as contamination by pathogens, chemicals, or spoilage presents serious human and animal health risks. Food safety practices and procedures in the industry have recently been subject to more intense scrutiny and oversight, and future outbreaks of diseases among livestock could lead to further governmental regulation. Product recalls can harm brand reputation, result in costly fines, reduce revenues, and increase regulatory scrutiny including trade restrictions. Obtaining food safety certifications or ensuring suppliers meet food safety guidelines may help companies in the industry safeguard product safety and communicate the quality of their products to buyers.

Accounting Metrics

FB-MP-250a.1. Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

- 1 The entity shall disclose its facilities' (1) non-conformance rates with Global Food Safety Initiative (GFSI) recognized food safety certification programs for (a) major non-conformances, and separately, (b) minor non-conformances.
 - 1.1 A major non-conformance is defined by the relevant GFSI-recognized certification program and includes the highest severity of non-conformances and required escalation by auditors. Major non-conformances may arise from a significant risk to food safety, non-compliance with relevant regulatory requirements, and/or failure to adequately address prior minor non-conformances. Major non-conformances must be corrected in accordance with the relevant GFSI-recognized certification program under audit.
 - 1.2 A minor non-conformance is defined by the relevant GFSI-recognized certification program and is by itself not indicative of a systemic problem.
 - 1.3 The entity shall calculate the non-conformance rates as the total number of non-conformances (in each respective category) identified among its facilities divided by the number of facilities audited.
 - 1.4 The scope of disclosure includes audit results from facilities that are owned and/or operated by the entity.
- 2 The entity shall disclose the (2) corrective action rates associated with its facilities' (a) major non-conformances, and separately, (b) minor non-conformances.
 - 2.1 A corrective action is defined as the completion of an action (generally identified in a corrective action plan), within the timeline defined by the GFSI-recognized certification program, that has been designed to eliminate

the cause of a detected non-conformance, including the implementation of practices or systems to eliminate any non-conformance and ensure there will be no reoccurrence of the non-conformance, as well as verification that the action has taken place.

- 2.2 The entity shall calculate the corrective action rates as the number of corrective actions that address non-conformances (in each respective category) divided by the total number of non-conformances (in each respective category) that have been identified.
- 3 The GFSI-recognized certification programs include at the time of publication:
 - 3.1 BRC Global Standard for Food Safety Issue 7
 - 3.2 CanadaGAP Scheme Version 6 Options B, C and D and Program Management Manual Version 6
 - 3.3 FSSC 22000—October 2011 Issue
 - 3.4 Global Aquaculture Alliance Seafood BAP Seafood Processing Standard
 - 3.5 Global Red Meat Standard (GRMS) 4th Edition Version 4.1
 - 3.6 GLOBALG.A.P Integrated Farm Assurance Scheme Version 5, Produce Safety Standard Version 4 and Harmonized Produce Safety Standard
 - 3.7 IFS Food Standard Version 6
 - 3.8 PrimusGFS Standard v2.1—December 2011
 - 3.9 SQF Code 7th Edition Level 2
 - 4 The entity may disclose the relevant GFSI-recognized certification program by which its facilities are audited.

FB-MP-250a.2. Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program

- 1 The entity shall disclose the percentage of its supplier facilities that are certified to a Global Food Safety Initiative (GFSI) recognized certification program.
 - 1.1 The percentage shall be calculated as the number of supplier facilities certified to an applicable GFSI recognized certification program divided by the total number of supplier facilities.
 - 1.2 The scope of disclosure includes facilities operated by entities with which the entity contracts animal production (e.g., independent producers) and those that otherwise supply animal protein to the entity (e.g., for processing by the entity).

- 2 The scope of disclosure excludes suppliers of packaging materials or other goods and inputs that are not animal protein.
- 3 The GFSI-recognized certification programs include at time of publication:
 - 3.1 BRC Global Standard for Food Safety Issue 7
 - 3.2 CanadaGAP Scheme Version 6 Options B, C and D and Program Management Manual Version 6
 - 3.3 FSSC 22000—October 2011 Issue
 - 3.4 Global Aquaculture Alliance Seafood BAP Seafood Processing Standard
 - 3.5 Global Red Meat Standard (GRMS) 4th Edition Version 4.1
 - 3.6 GLOBALG.A.P Integrated Farm Assurance Scheme Version 5, Produce Safety Standard Version 4 and Harmonized Produce Safety Standard
 - 3.7 IFS Food Standard Version 6
 - 3.8 PrimusGFS Standard v2.1—December 2011
 - 3.9 SQF Code 7th Edition Level 2
- 4 The entity may disclose the GFSI-recognized certification program to which its facilities are audited.

FB-MP-250a.3. (1) Number of recalls issued and (2) total weight of products 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) or U.S. Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS)].
- 4 The entity may disclose the percentage of recalls that were voluntary issued and the percentage of recalls that were involuntarily issued.

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

- 1 The entity shall provide a discussion of notable recalls.
 - 1.1 Notable recalls are those that affected a significant amount 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 weight of 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-MP-250a.4. Discussion of markets that ban imports of the entity's products

- 1 The entity shall disclose a list of countries and regions that restrict, ban, or have suspended imports of the entity's products due to sanitary and phytosanitary (SPS) measures.
 - 1.1 SPS measures are food, animal, and plant safety and health standards and regulations enacted by governments to protect human, animal, or plant life or health in accordance with the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement).
 - 1.2 The scope of disclosure excludes import bans, embargoes, or restrictions that are in place due to non-SPS measures.
- 2 The entity shall discuss the following with respect to each ban:
 - 2.1 Animal protein products affected
 - 2.2 Length of time the ban has been in place
 - 2.3 Stated reason for the ban (e.g., risk of bovine spongiform encephalopathy)
 - 2.4 Effect on the entity's results of operations and financial condition

Antibiotic Use in Animal Production

Topic Summary

The use of antibiotics in livestock production is of increasing concern due to the potential impacts on public health. Prevalent use of antibiotics in livestock production that are also administered to humans may promote the development of antibiotic-resistant strains of bacteria. While the use of antibiotics in animal feed or water supplies can improve the output of animal production and enhance animal welfare in industrial farm settings, companies in the industry must balance these benefits with the potential for negative public health risks. The use of antibiotics in animal production presents reputational and regulatory risks, both of which can affect long-term profitability through impacts on demand and market share for meat, poultry, and dairy producers. Depending on the animal species, companies in the industry have differing levels of control over and management approaches to this issue, from having direct control over the feed and medicine administered by contract suppliers to more broadly setting requirements for suppliers.

Accounting Metrics

FB-MP-260a.1. Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type

- 1 The entity shall disclose the percentage of animal production that received medically important antibiotics, by animal type (e.g., pork, beef, chicken, or turkey).
 - 1.1 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.”
 - 1.1.1 Generally, medically important antibiotics are those that are used in animal and human medicine.
 - 1.1.2 Updates made to the list of drug classes included GFI #152 Appendix A shall constitute updates to this metric.
 - 1.2 The entity shall calculate the percentage as the carcass (or dressed) weight of animal protein that received medically important antibiotics at any stage of its life divided by the total carcass (or dressed) weight of animal protein production.
- 2 The entity shall disclose (2) percentage of animal production that received not medically important antibiotics, by animal type.

- 2.1 Not medically important antibiotics (or “not medically important antimicrobial drugs”) include all other antibiotics, excluding medically important antibiotics defined according to the U.S. FDA’s VFD Appendix A to GFI #152, administered at any stage of an animal’s life.
 - 2.1.1 Generally, not medically important antibiotics are those that are not used in human medicine.
- 2.2 The percentage is calculated as the carcass (or dressed) weight of animal protein that received not medically important antibiotics at any stage of its life divided by the total carcass (or dressed) weight of animal protein production.
- 3 An animal that receives both medically important and not medically important antibiotics shall be included in both percentage calculations.
- 4 The scope includes animal protein from operations that the entity owns and operates, operations with which it contracts animal production (e.g., independent producers), and operations that otherwise supply animal protein to the entity (e.g., for processing by the entity).

Workforce Health & Safety

Topic Summary

The Meat, Poultry & Dairy industry has relatively high injury rates compared with other industries given the prevalence of industrial machinery, chemicals, and a fast-paced, loud working environment. Common acute and chronic hazards include musculoskeletal disorders, exposure to chemicals and pathogens, and traumatic injuries from machines and tools. Worker injuries or fatalities can lead to reputational risks, high turnover, low worker morale and productivity, injury liability risks, and associated health care and workers' compensation costs. Additionally, regulators may levy fines against companies for noncompliance with worker health and safety standards or require employee training to address preventable accidents. By developing a strong safety culture and reducing employees' exposure to potentially harmful situations, a company can proactively guard against accidents and improve workforce health and safety.

Accounting Metrics

FB-MP-320a.1. (1) Total recordable incident rate (TRIR) and (2) fatality rate

- 1 The entity shall disclose its total recordable incident rate (TRIR) for work-related injuries and illnesses.
 - 1.1 An injury or illness is considered a recordable incident if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. This definition is derived from U.S. 29 CFR 1904.7.
 - 1.2 The U.S. Occupational Safety and Health Administration (OSHA) provides additional resources for determining if injuries or illnesses are considered recordable incidents in its guidance for [OSHA Forms 300, 300A, and 301](#).
- 2 The entity shall disclose its fatality rate for work-related fatalities.
- 3 Rates shall be calculated as: $(\text{statistic count} \times 200,000) / \text{hours worked}$
 - 3.1 The U.S. Bureau of Labor Statistics (BLS) provides additional guidance for the calculation of rates in, "[How to Compute a Firm's Incidence Rate for Safety Management](#)" and "[Incidence Rate Calculator and Comparison Tool](#)."
- 4 The scope of disclosure includes work-related incidents only.
 - 4.1 OSHA guidance for Forms 300, 300A, and 301 provides guidance on determining whether an incident is work-related, as well as definitions for exemptions for incidents that occur in the work environment but are not work-related.

- 5 The scope of disclosure includes all employees regardless of employee location and type of employment, such as full-time, part-time, direct, contract, executive, labor, salary, hourly, and seasonal employees.

FB-MP-320a.2. Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions

- 1 The entity shall discuss its efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions in employees.
 - 1.1 Acute respiratory conditions include, but are not limited to, chemical burns, inflammation of the respiratory tract, acute or subacute bronchitis, and death.
 - 1.2 Chronic respiratory conditions include, but are not limited to, chronic bronchitis, chronic lung disease (e.g., COPD), declines in lung function, organic toxic dust syndrome, and conditions resulting from particulate matter.
 - 1.3 Relevant efforts to discuss include, but are not limited to, management plans, policies, risk assessments, participation in long-term health studies, health and wellness monitoring programs, readily accessible personal protective equipment (PPE), and implementation of relevant worker training programs.

Animal Care & Welfare

Topic Summary

There is increasing public and regulatory scrutiny of meat, poultry, and dairy companies and their suppliers' treatment of animals. While in the U.S., farm animals are largely excluded from federal and state animal welfare statutes, including the Animal Welfare Act, pressure from consumers and advocacy groups has caused the industry to improve the state of animal welfare for its livestock. Consumer demand has driven shifts in industry practices, such as eliminating the use of gestation crates in hog production and eliminating caged enclosures for poultry. Companies that are prepared to anticipate or adapt to these trends may be able to increase their market share by capturing this changing demand and being first to market with products that comply with new regulations.

Accounting Metrics

FB-MP-410a.1. Percentage of pork produced without the use of gestation crates

- 1 The entity shall disclose the percentage of pork produced without the use of gestation crates.
 - 1.1 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.
 - 1.2 The percentage shall be calculated as the weight of pork produced without the use of gestation crates divided by the total weight of pork production.
 - 1.2.1 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).
- 2 The scope of disclosure includes pork or pork products that originated from facilities that the entity owns and operates and from facilities from which the entity contracts animal production (e.g., independent producers).
- 3 The entity may discuss, where relevant:
 - 3.1 How, if in any way, the use of gestation crates is addressed in contracts with producers and independent farmers
 - 3.2 Requirements of key customers related to the use of gestation crates and how the entity addresses them
 - 3.3 Any targets the entity has related to phasing out gestation crates and its progress toward those targets

FB-MP-410a.2. Percentage of cage-free shell egg sales

- 1 The entity shall disclose the percentage of shell eggs 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 shell eggs produced that originated from a cage-free environment divided by the total number of shell eggs produced.
- 2 The scope of disclosure includes eggs from facilities that the entity owns and operates, facilities from which the entity contracts egg production (e.g., independent producers), and eggs that the entity purchases for resale.

FB-MP-410a.3. Percentage of production certified to a third-party animal welfare standard

- 1 The entity shall disclose the percentage of animal protein production certified to third-party animal welfare standard(s).
 - 1.1 An animal welfare standard is defined as a standard that relates to the following aspects of beef, pork, and/or poultry production:
 - 1.1.1 Animal treatment and handling
 - 1.1.2 Housing and transportation conditions
 - 1.1.3 Slaughter facilities and procedures
 - 1.1.4 Use of antibiotics and hormones
 - 1.2 Animal welfare standards include, but are not limited to, the following: Animal Welfare Approved, Certified Humane Program, Food Alliance Certified, and Global Animal Partnership 5-Step Animal Welfare Rating Program.
 - 1.3 The percentage shall be calculated as the weight of animal protein production certified to third-party animal welfare standard(s) divided by the total weight of animal protein production.
 - 1.3.1 Weight of production shall be calculated using carcass weight or retail weight (where the entity has sourced animals or animal products that have already been processed).

- 2 The scope of disclosure includes all animal protein production that the entity brings to market, including animal protein from facilities that the entity owns and operates and animal protein from facilities from which the entity contracts animal production (e.g., independent producers).
- 3 The entity may disclose the animal welfare standards to which its production is certified.
- 4 The entity may discuss additional animal welfare standards that it implements in its operations and/or supply chain that are not third-party verified (i.e., those that are enforced by the entity, trade association, or customer).

Environmental & Social Impacts of Animal Supply Chain

Topic Summary

Companies in the Meat, Poultry & Dairy industry rely on a variety of contract farmers and suppliers. Environmental and social impacts within the industry's supply chain include those related to deforestation, land use and waste management, water withdrawals, animal welfare, antibiotic usage, and food safety. Management of environmental and social risks within a company's animal supply chain is critical to maintain the cost of capital, secure a steady source of animals at desired price points, and to prevent reputational damage, which may decrease revenue and market share.

Accounting Metrics

FB-MP-430a.1. Percentage of livestock from suppliers implementing the Natural Resources Conservation Service (NRCS) conservation plan criteria or the equivalent

- 1 The entity shall disclose the percentage of livestock sourced from suppliers that manage pasture and grazing land to the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) conservation plan criteria or equivalent criteria.
 - 1.1 Land shall be considered to be managed to the NRCS conservation plan criteria if its management follows the planning process described by the [National Planning Procedures Handbook](#) and management practices outlined in the [National Range and Pasture Handbook \(NRPH\)](#), USDA NRCS, Grazing Lands Technology Institute Revision 1, December 2003.
 - 1.2 Land shall be considered to be managed to equivalent criteria to the NRCS conservation plan criteria if the land is managed in accordance with third-party standards, criteria, or guidelines that are designed to manage pasture and grazing land in a manner substantially similar to the NRCS conservation plan criteria.
 - 1.3 The percentage shall be calculated as the total live weight of livestock sourced from suppliers implementing the NRCS conservation plan criteria or equivalent criteria divided by the total live weight of livestock sourced by the entity.
- 2 The scope of disclosure includes livestock purchased by the entity during the reporting period, adjusted for any changes in inventory of live animals.
- 3 The scope of disclosure includes land defined by the NRPH as rangeland, which includes grazed forest, naturalized pasture, pastureland, hayland, and grazed and hayed cropland.

FB-MP-430a.2. Percentage of supplier and contract production facilities verified to meet animal welfare standards

- 1 The entity shall disclose the percentage of its supplier facilities that have been verified to be operating in accordance with animal welfare standard(s).
 - 1.1 An animal welfare standard is defined as a standard that relates to the following aspects of beef, pork, and/or poultry production:
 - 1.1.1 Animal treatment and handling
 - 1.1.2 Housing and transportation conditions
 - 1.1.3 Slaughter facilities and procedures
 - 1.1.4 Use of antibiotics and hormones
 - 1.2 Animal welfare standards include those that the entity has developed and enforces in its supply chain, those developed and enforced by a trade association, or those developed and enforced by a third party.
 - 1.3 Third-party animal welfare standards include, but are not limited to, the following: Animal Welfare Approved, Certified Humane Program, Food Alliance, and Global Animal Partnership 5-Step Animal Welfare Rating Program.
 - 1.4 The percentage shall be calculated as the number of supplier facilities verified to be operating in accordance with animal welfare standard(s) divided by the total number of supplier facilities.
- 2 The scope of disclosure includes facilities operated by entities with which the entity contracts animal production (e.g., independent producers) and those that otherwise supply animal protein to the entity (e.g., for processing by the entity).
- 3 The entity may disclose the animal welfare standards to which its production is certified.
- 4 The entity may discuss additional animal welfare standards that it implements in its operations and/or supply chain that are not third-party verified (i.e., those that are enforced by the entity, trade association, or customer).

Animal & Feed Sourcing

Topic Summary

Meat, poultry, and dairy companies source animal and animal feed from a range of suppliers depending on animal species. The industry's ability to reliably source animals and animal feed at desired price points may be affected by climate change, water scarcity, land management, and other resource scarcity considerations. Companies that select and work with suppliers who are less resource-intensive and who actively manage adaptation to climate change and other resource scarcity risks, will be better protected from potential price volatility and supply disruptions. Additionally, such companies may improve their brand reputation and develop new market opportunities. Failure to effectively manage sourcing risks can lead to higher costs of capital, reduced margins, and constrained revenue growth.

Accounting Metrics

FB-MP-440a.1. Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress

- 1 The entity shall disclose the percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress.
 - 1.1 Animal feed includes soybean meal, cornmeal and other grains, and other fodder provided to livestock, but excludes forage.
- 2 The scope of disclosure shall include feed grown and/or manufactured by the entity and feed that is purchased by the entity.
- 3 The percentage shall be calculated as the weight of animal feed sourced from regions with High or Extremely High Baseline Water Stress divided by the total weight of animal feed sourced by the entity.
 - 3.1 The entity shall identify animal feed sourced from locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, [Aquaduct](#).

FB-MP-440a.2. Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress

- 1 The entity shall disclose the percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress.
 - 1.1 A contract producer (or grower) is a party with which the entity has an agreement under which the party typically agrees to provide facilities, labor, utilities, and care for livestock owned by the entity in return for payment.

- 2 The percentage shall be calculated as the value of contracts associated with entities located in water-stressed regions divided by the total value of contracts associated with contract production of animal protein.
 - 2.1 The entity shall identify contract producers that withdraw and consume water in locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, [Aqueduct](#).

FB-MP-440a.3. Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change

- 1 The entity shall discuss the risks and/or opportunities that are presented by climate change scenarios to its feed sourcing and livestock supply.
 - 1.1 Feed-sourcing risks and opportunities include those at the cultivation, milling and other processing, and transportation phases of animal feed production.
 - 1.2 Livestock production risks and opportunities include those affecting all lifecycle phases of bringing animal protein to market, including breeding, grazing, feedlot, slaughter, processing, and distribution/transportation of live animals and processed animal protein products.
- 2 The entity may identify the risks presented by climate change, including, but not limited to, availability of water, shifts in rangeland quality, disease migration, and more frequent extreme weather events.
- 3 The entity may discuss how climate change scenarios will manifest (e.g., at the point they will affect the entity's supply chain), how each type of feed (e.g., soybean meal, cornmeal and other grains, or hay) or livestock (e.g., beef cattle, dairy cattle, pigs, or poultry) may be affected, and how other operating conditions (e.g., transportation and logistics or physical infrastructure) will be affected.
- 4 The entity shall discuss efforts to assess and monitor the impacts of climate change and the related strategies it employs to adapt to any risks and/or recognize any opportunities.
 - 4.1 For feed, strategies include, but are not limited to, use of insurance, investments in hedging instruments, supply chain diversification, and ecosystem and biodiversity management.
 - 4.2 For livestock, strategies include, but are not limited to, use of insurance, investments in hedging instruments, supply chain diversification, ecosystem and biodiversity management, and development of tolerant livestock breeds.
- 5 The entity may discuss the probability that risks and opportunities will come to fruition, the likely magnitude of the impact on financial results and operating conditions, and the timeframe over which such risks and opportunities are expected to manifest.

- 6 The entity may include discussion of the methods or models used to develop the climate change scenario(s) it uses, including the use of global gridded crop models or scientific research provided by governmental and non-governmental organizations (e.g., [Intergovernmental Panel on Climate Change Climate Scenario Process](#)).
- 7 The scope of disclosure includes the impact of climate change on the entity's operations, but excludes the entity's strategy and risks and opportunities related to the mitigation of greenhouse gas (GHG) emissions that are generated through its operations (addressed in FB-MP.110a.2).



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