

SASB Meat, Poultry, Dairy Industry Survey

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SASB Standards Development Process

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Welcome to SASB's Resource Transformation Sector Industry Working Groups

Dear SASB Meat, Poultry, Dairy Industry Experts,

Thank you for participating in SASB's Meat, Poultry, Dairy Industry Working Group (IWG), in which you will review and weigh in on Sustainability Accounting Standards (SASB standards) under development for the Meat, Poultry, Dairy industry. SASB's standards development process is outlined below.

As an industry working group (IWG) member, you are being asked to provide your expert feedback on (1) a set of proposed disclosure topics for companies in this industry, and (2) metrics to account for company performance with respect to those topics. These disclosure topics have been identified through SASB research showing evidence of investor interest and evidence of financial impact.

Part of your role as an IWG member is to opine upon the potential materiality of these disclosure topics. Thus, it is important to note that *SASB uses only the following definition of materiality*:

Material information is defined by the Supreme Court as presenting a "substantial likelihood that the disclosure of the omitted fact would have been viewed by **the reasonable investor** as having significantly altered the '**total mix**' of information made available." (TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438 (1976).

SASB standards provide guidance to companies on environmental, social and governance (ESG) topics that may constitute material information for companies in a given industry, *based on further company-specific analysis*. "Constitute" here means "represent", not "equivalent to". (Throughout this document, the terms "ESG" and "sustainability are used interchangeably.)

Please base answers to the survey on your industry knowledge and the detailed information on each disclosure topic—and the evidence supporting its materiality—outlined in the SASB research brief. *Please do not begin this survey until you have thoroughly read the SASB research brief for this industry.*

Things you need to know before starting:

The survey is dynamic and builds upon your answers. It is divided in three sections:

Section 1 – ESG-related Disclosure Topics (10 – 20 minutes)

Section 2 - Metrics (15 – 25 minutes)

Section 3 - Comments on Industry Brief (5 minutes)

You can stop and save your work at any time by clicking the "Save and Continue" button; when

you return it will resume where you left off. You may go back to change your answers at any time using the “Back” button.

Your answers represent your opinion, based on your experience, knowledge, and the evidence outlined in the SASB research brief on this industry.

Should you have any problems with the survey, please contact:

Content related problems: Katie Schmitz Eullitt - katie@sasb.org

Technology related problems: Trent Boorman - trent.boorman@sasb.org

Thank you for sharing your time and expertise.

Section 1: Disclosure Topics

In this section, please provide input on whether each proposed disclosure topic constitute information that may be material to investors pertaining to companies in this industry.

As a reminder, “constitute” here means “represent”, not “equivalent to”.

Material information is defined by the Supreme Court as presenting a “substantial likelihood that the disclosure of the omitted fact would have been viewed by **the reasonable investor** as having significantly altered the **‘total mix’ of information** made available.” (TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438 (1976)).

The research brief outlines risks and opportunities inherent in ESG-related factors identified for this industry. The brief also provides evidence of interest in and financial impact of each proposed disclosure topic.

This section will take approximately 10-20 minutes to complete.

Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry?

For more clarity on the definition of these topics and the evidence supporting their materiality, please refer to the SASB research brief.

Please provide an answer for **all** topics below.

[Material.0] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Greenhouse Gas Emissions	Yes. It is material
[Material.1] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Water Management	Yes. It is material
[Material.2] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Land Use Ecological Impacts	Yes. It is material
[Material.3] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Food Safety	Yes. It is material
[Material.4] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Workforce Health Safety	Yes. It is material
[Material.5] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Animal Care Welfare	Yes. It is material
[Material.6] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Climate Change Adaptation	Yes. It is material
[Material.7] Do the proposed disclosure topics listed below constitute information that may be material to investors, pertaining to companies in the Meat, Poultry, Dairy industry? Supply Chain Management	Yes. It is material

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Please feel free to offer additional thoughts on why you feel that information on the topic Greenhouse Gas Emissions may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

GHG issues are on an exponential track that will become a huge risk factor in 20+ years but the cause of this is already in place.

Please feel free to offer additional thoughts on why you feel that information on the topic Water Management may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

(No response)

Please feel free to offer additional thoughts on why you feel that information on the topic Land Use Ecological Impacts may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

Land use explains American exceptionalism ... the combination of lots of land and lots of effort produces easy wealth, but the American way has also done immense damage to 'natural capital' while creating substantial financial capital. Converting virgin forest to cattle ranches has immense ecological impact that must be accounted for in a meaningful way.

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Please feel free to offer additional thoughts on why you feel that information on the topic Food Safety may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

Reading the brief I sense that food safety is being looked at in a very narrow way. Food safety should include the impact of issues like the impact of growth hormones and antibiotics on consumers in both the short run and the long run. The Rachel Carson impact on use of DDT should perhaps be applied to the use of things like Roundup. The issue here is the total life cycle of various components of industry inputs which then appear in products that get consumed.

Please feel free to offer additional thoughts on why you feel that information on the topic Workforce Health Safety may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

Workplace health and safety is only part of the human capital issue. Low wages have an impact on quality of life for the employees, their families and the communities where they live. Health and safety are only the tip of the iceberg.

Please feel free to offer additional thoughts on why you feel that information on the topic Animal Care Welfare may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

Animal care and welfare in this industry is a moral issue, but does not impact much on sustainability, but the issue of impact on biodiversity is a huge issue that will have a long term impact on the performance of the society and the economy in the long run.

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Please feel free to offer additional thoughts on why you feel that information on the topic Climate Change Adaptation may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

The single item focus on change is going to get the wrong policy frame ... what we need to understand is how climate change and social change and economics all interact and things have to be looked at as a total system. Profit at the expense of everything else is a dangerous way to proceed.

Please feel free to offer additional thoughts on why you feel that information on the topic Supply Chain Management may constitute material information pertaining to companies in this industry.

We greatly appreciate any web links pointing to supporting evidence, if possible.

(Optional)

Supply Chain is used to optimize for profit and is often a legal subterfuge for escaping from responsibility for bad practices of various sorts in the supply chain allowing for low costs and high profits and appalling conditions.

Rank these topics based on their materiality.

Please rank these topics based on how likely they are to constitute material information pertaining to companies in this industry.

Please drag the topic tiles (left column) and drop them onto the appropriate numeric ranking (right).

[Ranking.0] Rank these topics based on their materiality. Greenhouse Gas Emissions	3
[Ranking.1] Rank these topics based on their materiality. Water Management	2
[Ranking.2] Rank these topics based on their materiality. Land Use Ecological Impacts	4
[Ranking.3] Rank these topics based on their materiality. Food Safety	1
[Ranking.4] Rank these topics based on their materiality. Workforce Health Safety	6
[Ranking.5] Rank these topics based on their materiality. Animal Care Welfare	8
[Ranking.6] Rank these topics based on their materiality. Climate Change Adaptation	7
[Ranking.7] Rank these topics based on their materiality. Supply Chain Management	5

Please look at the list of disclosure topics one more time.

Disclosure topics for the Meat, Poultry, Dairy industry

- Greenhouse Gas Emissions
- Water Management
- Land Use Ecological Impacts
- Food Safety
- Workforce Health Safety
- Animal Care Welfare
- Climate Change Adaptation
- Supply Chain Management

In your opinion, are there any other disclosure topics that should be included on this list?

Yes

What disclosure topic would you add to the list?

Additional topic #1:

Impact on wellness arising from food consumption

Please provide a short contextual explanation for the additional topic you suggested.

It is a widespread practice to use various chemicals to improve growth and yield. Some of these are potentially dangerous to wellness, including things like antibiotics and growth hormones not to mention things like 'Roundup' in the feed that goes into animals.

Please provide us with any files or web links you might have to support this additional topic.

(optional)

Upload file - Topic #1

(No response)

Upload file - Topic #1

(No response)

Web link (URL) - Topic #1

(No response)

Web link (URL) - Topic #1

(No response)

Would you like to add another disclosure topic?

Yes

What disclosure topic would you add to the list?

Additional topic #2:

Use of Energy

Please provide a short contextual explanation for the additional topic you suggested.

There is reference to generation of GHGs ... but would be good to associate the use of energy as a separate matter.

Please provide us with any files or web links you might have to support this additional topic.
(optional)

Upload file - Topic #2

(No response)

Upload file - Topic #2

(No response)

Web link (URL) - Topic #2

(No response)

Web link (URL) - Topic #2

(No response)

Would you like to add another disclosure topic?

Yes

What disclosure topic would you add to the list?

Additional topic #3:

Use of comprehensive multi dimension impact accounting

Please provide a short contextual explanation for the additional topic you suggested.

Conventional accounting only addresses performance from the money profit perspective and impact on financial capital. A more comprehensive system of accounting will address the impact on all the capitals: human capital, social capital, physical capital, institutional capital, intellectual capital and natural capital.

Please provide us with any files or web links you might have to support this additional topic.
(optional)

Upload file - Topic #3

(No response)

Upload file - Topic #3

(No response)

Web link (URL) - Topic #3

(No response)

Web link (URL) - Topic #3

(No response)

Section 2: Metrics

This section seeks to capture your input on the metrics selected to account for company performance on each proposed disclosure topic.

In this section you will be asked to grade metrics based on four key criteria:

Relevant/Useful: The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;

Cost-effective: The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;

Comparable: The data allow for peer-to-peer benchmarking within the industry;

Auditable: The data underlying this metric can be verified by auditors.

You will also be able to suggest alternative metrics.

This section will take approximately 15-20 minutes to complete.

Notes on SASB Sustainability Accounting Standards

Technical Guidance

SASB's standards are composed of disclosure topics and metrics to account for performance with respect to each proposed Disclosure Topic. The formal issuance of SASB standards for this industry will also include technical guidance in the form of disclosure notes. These will provide definitions, scope, boundaries, accounting guidance, compilation guidance, and presentation format for each disclosure topic and related metric, on an as-needed basis. SASB welcomes comments for all metrics and suggestions for what should be addressed by the disclosure notes.

Limitations

SASB is proposing a mixture of forward looking and backward looking metrics, some of which are quantitative and some of which are qualitative. SASB recognizes that there are a variety of benefits and drawbacks associated with each of these metrics. SASB welcomes specific comments and suggestions related to improving the proposed metrics.

Please indicate if each metric for Greenhouse Gas Emissions meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p><p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Gross global Scope 1 emissions</p> <p>Quantitative</p> <p>Metric tons CO2-e</p></p>	Yes	No	No	No
<p><p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Description 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</p> <p>Discussion and Analysis</p> <p>n/a</p></p>	No	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

No

Please indicate if each metric for Water Management meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress</p> <p>Quantitative</p> <p>Cubic meters (m3), Percentage (%)</p> <p>Technical</p> <p>Notes: Water risk is as defined by the WRI Water Risk Atlas.</p>	Yes	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic. Additional explanation/evidence is appreciated.

Water should be considered in multiple steps: Clean water in, clean water out, Net use of water, Compare this to available water. Then energy used to clean water for water out.

Separately you need to address dirty water discharge and the impact on the environment.

Please indicate if each metric for Land Use Ecological Impacts meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Number of incidents of non-compliance with water-quality permits, standards, and regulations</p> <p>Quantitative</p> <p>Number</p>	No	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Amount of litter and manure animal waste generated, (1) percentage land-application, (2) percentage lagoon storage</p> <p>Quantitative</p> <p>Tons (t), Percentage (%)</p>	Yes	Yes	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of operations that are concentrated animal feeding operations (CAFO)</p> <p>Quantitative</p> <p>Percentage by production output (%)</p> <p>Technical Notes:</p> <p>Concentrated animal feeding operation is defined according to EPA criteria.</p>	No	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic. Additional explanation/evidence is appreciated.

I don't like the use of percentage. The issue is how much absolute of these items.

Number of non-compliance incidents depends on the prevailing regulatory regime ... this is also matter of corporate governance and the behavior of the company.

Please indicate if each metric for Food Safety meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Number of recalls issues, total weight of product recalled</p> <p>Quantitative</p> <p>Number, Tons (t)</p>	Yes	Yes	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Number of facilities certified to a Global Food Safety Initiative (GFSI) approved standard</p> <p>Quantitative</p> <p>Number</p> <p>Technical Notes:</p> <p>Schemes that meet GFSI requirements include: British Retail Consortium (BRC), Food Safety Systems Certification (FSSC) 22000, International Features Standard (IFS), Safe Quality Food (SQF), CanadaGAP (Good Agricultural Practices), GlobalGAP, and PrimusGFS.</p>	No	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>List of markets banning import of registrant's products</p> <p>Discussion and Analysis</p> <p>n/a</p> <p>Technical Notes:</p> <p>The scope of bans includes those due to Sanitary and Phytosanitary (SPS) measures. The registrant should disclose, where relevant, the scope of the ban or suspension of sale, the length of time it has been in place, meat/products covered, and the stated reason (e.g. BCE).</p>	Yes	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic. Additional explanation/evidence is appreciated.

*Recalls ... how much product recalled relative to total production. Issue of severity of the recalls.
Number of facilities ... how big are the facilities ... where are they located ... what amount of production flows through these facilities
Food safety is a whole lot more than meeting prevailing regulation ... there are also huge issues related such things as growth hormone use, antibiotic use, feed containing pesticide (roundup) and so on. These components of the food safety issue need to be incorporated.*

Please indicate if each metric for Workforce Health Safety meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate</p> <p>Quantitative</p> <p>Rate</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Description of practices to monitor for and mitigate chronic and acute respiratory conditions</p> <p>Discussion and Analysis</p> <p>n/a</p>	Yes	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic. Additional explanation/evidence is appreciated.

Safety ... the safety of the place
 People ... attitude to safety by management and staff
 Environment ... air quality
 Environment ... noise

Please indicate if each metric for Animal Care Welfare meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of pork production without use of gestation crates</p> <p>Quantitative</p> <p>Percentage (%)</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of cage-free poultry</p> <p>Quantitative</p> <p>Percentage (%)</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of production certified to a third-party animal welfare standard</p> <p>Quantitative</p> <p>Percentage (%)</p> <p>Technical Notes:</p> <p>Relevant certifications include: Animal Welfare Approved, 5-Step, Food Alliance, Humane Farm Animal Care, and Global Animal Partnership</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of antibiotic-free animal production</p> <p>Quantitative</p> <p>Percentage (%)</p> <p>Technical Notes:</p> <p>“No hormone” livestock is defined by per USDA documentation requirements for labeling.</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Amount of feed that contains sub-therapeutic doses of antibiotics</p> <p>Quantitative</p> <p>Tons (t)</p> <p>Technical Notes:</p> <p>The scope of disclosure is restricted to sub-therapeutic doses. A suggested normalization factor for this metric is tons of production.</p>	Yes	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic.

Additional explanation/evidence is appreciated.

Percentages don't give a useful indicator of the scale of the issue. The issue of growth hormones and antibiotics is more an issue for human health than for animal welfare.

The question of allowing photographs and videos of animals should be addressed ... why not some real time remote monitoring of treatment of animals?

Please indicate if each metric for Climate Change Adaptation meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Discussion of strategy to manage risks to feed sourcing and livestock production presented by climate change</p> <p>Discussion and Analysis</p> <p>n/a</p> <p>Technical Notes:</p> <p>Risks include but are not limited to disease migration, rise in macroparasites, increased animal stress and slower growth rates, water availability risks, and disruptions to feed supply.</p>	Yes	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic. Additional explanation/evidence is appreciated.

This is very weak. a bit of talk and no walk!
Something like life-cycle assessment needs to be in play for ALL the aspects of the supply chain with clear metrics for impact on all capitals during the supply chain, and through the entity's operations.

Please indicate if each metric for Supply Chain Management meets the following criteria:

- Relevant/Useful:** The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;
- Cost-effective:** The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;
- Comparable:** The data allow for peer-to-peer benchmarking within the industry;
- Auditable:** The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of outsourced production from suppliers meeting fair labor standards</p> <p>Quantitative</p> <p>Percentage (%)</p> <p>Technical Notes:</p> <p>Fair labor standards at a minimum should meet the criteria outlined in SA8000.</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of outsourced production meeting animal welfare standards</p> <p>Quantitative</p> <p>Percentage (%)</p> <p>Technical Notes:</p> <p>The scope includes those standards developed and enforced by registrant, as well as recognized third-party standards.</p>	Yes	No	No	No
<p>Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Percentage of feed sourced from water-stressed regions</p> <p>Quantitative</p> <p>Percentage (%)</p>	Yes	No	No	No

Would you like to suggest any changes to the Metric(s) or content for the Disclosure Note(s) (Technical Guidance) for this disclosure topic?

Remember SASB metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Metric(s)/Disclosure Note(s) for this disclosure topic. Additional explanation/evidence is appreciated.

Don't like percentage ... need some absolute quantities.
Supply chain cuts across the other issues ... life cycle for everything should be taken into consideration.
These disclosure guidance notes are way too long and not tied to anything of substance like the accounts. There is no way to summarize the information in a sensible way, and to drill down to identify the issues that are critical and need addressing immediately.

Activity Level Metrics and Normalization Factors

SASB expects that users of SASB standards will normalize the metrics using different variables in order to create ratios to perform comparative analysis. General notes relating to normalization factors to consider when evaluating SASB’s Sustainability Accounting Standards are:

SASB intends that when metrics are disclosed in the form of percentages and ratios, disclosure will include both the numerator and denominator. This will allow for: a) analysis of the raw data on an absolute basis and b) users to normalize the raw data to variables they select themselves.

SASB will not specify disclosure of normalization factors typically found elsewhere in the Form 10-K such as revenue, EBIDTA, share price, etc.

SASB welcomes advice on any additional normalization factors that will make the metrics more relevant, useful, comparable (peer-to-peer), and directional (for year-on-year comparisons) that are not included in the set of metrics and are not typically found elsewhere in the Form 10-K.

Please indicate if each activity level metric meets the following criteria:

Relevant/Useful: The metric adequately describes performance related to the disclosure topic, or is a proxy for performance;

Cost-effective: The data are already collected by most companies or can be collected in a timely manner and at a reasonable cost;

Comparable: The data allow for peer-to-peer benchmarking within the industry;

Auditable: The data underlying this metric can be verified by auditors.

	Relevant/Useful	Cost-effective	Comparable	Auditable
<p><p>Activity Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Number of processing and manufacturing facilities</p> <p>Quantitative</p> <p>Number</p></p>	Yes	No	No	No
<p><p>Activity Metric</p> <p>Category</p> <p>Unit of Measure</p> <p>Output, by category; percentage outsourced</p> <p>Quantitative</p> <p>Tons (t)</p> <u>Technical Notes:</u>
 <p>Categories include beef, pork, poultry, eggs, dairy, other.</p></p>	Yes	No	No	No

Would you like to suggest any changes to the activity level metric(s) or content for the disclosure note(s) (technical guidance) for this industry?

Remember SASB activity level metrics must meet the criteria above.

Yes

Please indicate the changes you would like to make to the Activity Level Metric(s)/Disclosure Note(s) for this industry.
Additional explanation/evidence is appreciated.

Sustainability metrics are not part of any clear framework ... they are random questions addressing a range of issues (of great interest and importance) that are not linked together in any logical fashion. Conventional accounting (and FASB) addresses issues relating to money transactions (flows) and financial capital (state). The sustainability world should be accounting for and reporting for the other capitals: physical capital, human capital, social capital, institutional capital, intellectual capital and natural capital.

Food is vital for the maintenance of human capital, but its production has huge impact on many aspects of natural capital.

Conventional accounting has both balance sheet and profit and loss account ... the flow and the state.

*SASB needs to be clear about reporting information about state (of all the capitals) and the flows (that impact all the capitals).
At the moment this is not at all clear.*

Section 3: Comments on Research Brief

This is the final section of the survey and it seeks to capture your comments on the research brief that you have reviewed.

This section will take approximately 5 minutes to complete.

Did the research brief provide the information you needed to complete this survey?

No

Please let us know what additional information we could have provided to prepare you to complete this survey.

I want to do a reality check. There are lots and lots of questions, but in the end what can I do with the answers. We have had fifty years of getting more and more data, and yet decisions are not much better because the data are not helping in the way they should be.

This questionnaire has been all about defining things but to what end. There is a need for a system of accounting that addresses all the issues implied by the word sustainability, and I don't see this at all in this questionnaire and the standards being defined.

What is Sustainability Accounting? Is it merely a pile of questionnaires or is it something more. Conventional financial accounting has a single unit of measure (money) that is used to quantify everything that is impacting financial capital and there is real clarity about what is state (going into the balance sheet) and what is flow (going into the profit and loss account). Conventional accounting also has very strong rules about how 'consolidation' takes place ... but law and FASB allows all sorts of reporting avoidance so that issues in a supply chain (for example) can be ignored in the analysis of company performance.

I see the need to expand conventional accounting for impact on financial capital to be expanded so that sustainability accounting addresses impact on all the capitals: physical capital, human capital, social capital, institutional capital, intellectual capital, and natural capital.

Conventional accounting also has a focus on the performance of an organization. There is a need for a system of accounting that not only addressed the multiple capitals but also looks at the progress and performance of society and the economy from different perspectives ... specifically from the perspective of people, place, planet and product. The system should allow for optimization so that we get the most benefit flowing into people (human capital) while the least damage is being done to the other capitals, especially natural capital.

Typically accounting is about what has happened (historic accounting, if you will) and financial analysis tend to project into the future and compute value based on the present value of the future. This is how capital markets work for financial capital, and we should be able to do something like that for the other capitals.

We should be careful about using the standard formula for present value which discounts the future. Rather there should be some better thinking about how to take into account in present value the impact of risk that has the potential to be calamitous.

Food is vital ... but it is also doing huge damage to natural capital and maybe also doing more damage to human capital than we want to admit.

In your opinion, were there any inaccuracies in the research brief?

No

General Comments

(Optional)

Questions, Comments, or Testimonials

Please feel free to include any last thoughts, concerns, or suggestions regarding the Standards or the IWG Process.

We greatly appreciate any comments or testimonials.

You will submit your survey on the following page.

The SASB initiative is very important ... and it must be successful and become a core part of the dataflows associated with social and economic metrics about progress and performance of the society and the economy.

A singular focus on growing financial capital at the expense of all the other capitals is a formula for disaster. It worked pretty well when the global economy was small relative to the planet but times have changed. In 1900 the global population was 1.7 billion and now it is around 7.1 billion. Standard of living is 10 times better (bigger) so an economy and impact that is 40 times (at least) what it was 'back in the day'. We have to have metrics that reflect this reality and conventional accounting and conventional macro economics does not 'cut it'.

I qualified as a Chartered Accountant in the UK almost 50 years ago. I learned a lot about the 'principles' of accounting and how important it was that these principles remained at the core of the accountancy profession. Eventually I came to the United States and was appalled that principles had been overtaken by regulations, rules and standards ... some of which made no sense from a principled perspective. I see the need for some clarity about the principles for sustainability accounting, or if not principles some clarity about the framework for sustainability accounting.

The work I have been doing in this space is emerging as Multi Dimension Impact Accounting (TrueValueMetrics.org)

Additional Contributors

If applicable, please provide SASB with any additional names or functions of people who helped you to answer our survey.

SASB will only use this information internally.

These individuals will not be contacted or disclosed externally. This information helps us to further contextualize the survey responses, and also helps to improve our recruiting efforts for future industries.

I have been talking about better metrics for about 30 years. For half my career I was in the corporate world and was a very young CFO. For another part of my career I have worked in international development and emergency response and appalled at the state of the world from the perspective of the Bottom of the Pyramid. Simply optimizing for financial capital will not make a much better world ... but doing good can. There is no accounting for doing good, and certainly no bank to store the good one does. Sustainability accounting is a first step in getting to a better world ... you manage what you measure.

I have talked to thousands of people over the years ... and there is a growing community of people that would love to be involved with 'good things'. CEOs are talking the talk, but the CFOs do not have effective tools to justify doing good because they are fixated by conventional accounting and the impact there is on financial capital alone.

Survey Submission

Please submit your survey by clicking on the SUBMIT button below.

You'll be able to save a PDF with your answers on the next page. Please note that once you submit your survey, you won't be able to change your responses.

Thank you again for your participation in a SASB Industry Working Group. If you have any questions please contact Katie Schmitz-Eulitt at katie@sasb.org