

SASB Consumption Standard: Agricultural Products
Comments submitted by Aditi Sen

- Consider including all defined terms upfront –eg, scope 1 emissions. Making users reference a secondary resource for basic terms makes the standard more cumbersome to use.
- How is energy consumed /purchased from the grid different from scope 2 emissions – would it not be best to use a terminology/classification consistent with WRI’s GHG protocol to make life easier for users? For land use, one of the biggest aspects is conversion of forests to agricultural land – why is that not considered given that it was discussed?
- How will registrants assess what % of crop loss is due to climate change related events? This can be a difficult and subjective determination.
- The metrics and discussion for supply chains may not completely capture the magnitude of social and environmental risks. The list of environmental and social standards seems very open ended.



**American
Forest & Paper
Association**

April 28, 2015

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

**RE: AF&PA Comments on Consumption I Sector/
Household & Personal Care Products Exposure Draft for Public Comment**

To Whom It May Concern:

The American Forest & Paper Association (AF&PA) is pleased to provide comments on the Sustainability Accounting Standards Board (SASB) Consumption I Sector/Household & Personal Care Products Exposure Draft for Public Comment (the "Standard"). Our comments below have been informed by our review of the Record of Public Comment document issued for the Resource Transformation Sector Standards, which include Containers and Packaging (the "RPC Document").

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - *Better Practices, Better Planet 2020*. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

AF&PA's sustainability initiative - *Better Practices, Better Planet 2020* - is the latest example of our members' proactive commitment to the long-term success of our industry, our communities and our environment. We have long been responsible stewards of our planet's resources. Our member companies have collectively made significant progress in each of the following goals, which comprise one of the most extensive quantifiable sets of sustainability goals for a U.S. manufacturing industry: increasing paper recovery for recycling; improving energy efficiency; reducing greenhouse gas emissions; promoting sustainable forestry practices; improving workplace safety; and reducing water use.

GENERAL COMMENTS

Voluntary Standards

We appreciate SASB's statement that "[d]isclosure under SASB Standards is voluntary". AF&PA members strongly support retaining the voluntary nature of SASB Standards. SASB's process includes regular meetings with the Securities and Exchange Commission (SEC), and it has been widely reported that SASB's ultimate objective is to have the SEC mandate the use of its standards. We were pleased to see SASB's statement in the RPC Document that it is not asking the SEC to mandate the use of SASB standard, and we request that SASB maintain a position with the SEC that use of its standards should be voluntary.

Materiality, Topics, and Metrics

AF&PA supports SASB's adherence to the Supreme Court's definition of "materiality" and its emphasis that it is up to each company to decide for itself which sustainability topics are material. There is a lack of clarity, however, around how the Standard is intended to be used once a company determines that a topic is material. SASB representatives have given the impression that once a company has determined a topic is material, it must use the SASB metrics for that topic. The "Guidance on Accounting of Material Sustainability Topics" in the draft Standard, however, states "SASB recommends that each company consider using these accounting metrics when disclosing its performance with respect to each of the sustainability topics it has identified as material." SASB also recommends that "companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported."

We support the approach to metrics as described in the Standard and quoted above. Our members have serious concerns about the comparability and other aspects of the metrics SASB has chosen for the Standard. We believe making it clear, as does the text above, that companies have the flexibility to use those or other metrics, as well as the ability to explain why particular metrics do or do not "ensure completeness, accuracy, and comparability of the data reported" is very important for ensuring stakeholders using the data understand its potential limitations. Therefore, SASB should retain the "consider" language in the final Standard and explain the apparent inconsistency with its public statements.

Duplication With Existing Reporting Requirements

We understand that SASB tried to choose metrics that companies already report (voluntarily or pursuant to government requirement), as a way to minimize reporting burdens and ensure the metric is viable. Choosing these metrics, however, does raise potential concerns for reporting companies. Specifically, there is significant potential for

inconsistent reporting between reports using the SASB standard (including, potentially SEC reports) versus other reports, including a company's own sustainability reports, if SASB's metrics and the way in which they are derived and reported are not exactly the same as those used in the other reports. At a minimum, this inconsistency creates confusion among stakeholders; it also creates legal risk for reporting companies. Accordingly, to the extent that a metric is subject to multiple reporting requirements, the Standard should permit the reporting company to choose which requirement it is reporting under and indicate that choice in its reports.

Assurance

SASB indicates in the Household & Personal Care Products Standard that "it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings." While AF&PA members have systems in place to ensure high quality data are publicly reported, we do not believe that some of the metrics in the Standard lend themselves to the same level of assurance as is provided in financial reporting. Metrics that are reported to government agencies are not a concern because they typically have their own assurance requirements. The methodologies for reporting other metrics, however, may allow for more flexibility in the calculation of the metric, and thus, there may be greater variation in reported information than one might typically encounter in financial documents. In the provisional Containers & Packaging Provisional Standard, the section on assurance was removed. We would encourage SASB to remove this section from the Household & Personal Care Products Standard, as well, to provide consistency in the SASB standards. Further, the RPC Document implicitly acknowledges that sustainability data are not yet of the same quality as financial data, although SASB believes that sustainability data will achieve that level of quality over time. In the meantime, however, companies could face legal risk if they use the SASB standards for reporting and sustainability data are held to the same quality requirements as financial data.

SASB also should make an explicit link between its assurance requirements, and its recognition that estimates may be used, as long as the company explains the basis for the estimate. SASB should revise its statement that "SASB does not discourage the use of such estimates" to make it a more neutral statement acknowledging the reality that estimates will need to be used in reporting sustainability data.

American National Standards Institute (ANSI) Procedures

The material developed for the IWG stated that the "SASB Standards Development process is certified by: ANSI." SASB's Vision and Mission document also states that "SASB is also an ANSI accredited standards developer. Accreditation by ANSI signifies that SASB's procedures to develop standards meet ANSI's requirements for openness, balance, consensus, and due process." Finally, SASB's "Our Process" webpage states

that “[a]s an ANSI-accredited standards-setting organization, SASB follows an open, orderly process that permits timely, thorough, and open study of sustainability accounting issues.”

Adherence to ANSI *Essential Requirements* provides stakeholders with assurances that needed procedural safeguards are present. This is especially important, if, as is the case here, there is the potential for a government agency--the Securities and Exchange Commission (SEC)--to mandate the use of a standard (although, as discussed above, we strongly believe the standard should be voluntary). Government standards typically are developed through a notice and comment process and are subject to numerous due process protections for stakeholders, including in many cases, judicial review. Private standards adopted for government use should be developed with the same level of due process protection.

Office of Management and Budget (OMB) OMB Circular A-119 requires, with limited exception, that federal agencies and departments use “voluntary consensus standards,” which are “standards developed or adopted by voluntary consensus standards bodies.”¹ The Circular also established guidelines for federal participation in the development and use of voluntary consensus standards. Specifically, the Circular provides the following attributes for a “voluntary consensus standards body”: (i) openness; (ii) balance of interest; (iii) due process; (iv) an appeals process; and (v) consensus. Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104-113) basically codified the OMB Circular and requires that “all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies,” unless use of such a standard is “inconsistent with applicable law or otherwise impractical.”

By definition, private standards such as SASB’s do not include the due process protections found in the development of government standards. ANSI *Essential Requirements* closely track the procedural safeguards required by the Circular.² In its RPC Document, SASB clarified that, even though it is an ANSI-accredited standards setting organization, it does not intend to use ANSI procedures to finalize its standards, and instead will seek comment on the proprietary procedures it intends to use.

We appreciate SASB’s direct acknowledgement that it is not using an ANSI-process and in the spirit of complete disclosure and transparency, SASB should make clear in its standards and on its website that the standards have not been developed and are not being finalized pursuant to the ANSI procedures. We also look forward to commenting

¹ Office of Management and Budget, Circular A-119 (Revised), February 10, 1998.

² The ANSI Essential Requirements for Due Process are: openness, lack of dominance, balance, coordination and harmonization, notification of standards development, consideration of views and objections, consensus vote, appeals, written procedures, compliance with normative ANSI policies and procedures. ANSI Essential Requirements: Due process requirements for American National Standards. January 2014.

on SASB's proprietary standards and we urge SASB to propose procedures that incorporate as much of the ANSI *Essential Requirements* as possible.

Private, Non-Consensus Standards

Generally, as required by ANSI, the Standard should avoid references to private tools or standards (e.g., Green-e, World Resources Institute (WRI) Water Risk Atlas tool, Aqueduct). Among other concerns, these tools or standards have not been developed in a consensus-based process that provides the procedural safeguards discussed above.

In addition, SASB's adoption of a particular private tool or standard has the effect of locking in that standard for the future. Other existing tools or standards may perform similar functions but be more suitable to the Household and Personal Care Products sector, and new, innovative standards may be developed in the future. SASB shouldn't prejudge the suitability of those standards by locking in one particular standard at this time. At a minimum, SASB should describe what the tool provides or the standard is trying to accomplish, and after identifying the tool or standard, add "or equivalent."

SASB Use Of Varying National Standards, Laws And Definitions

Our understanding is that SASB expects sustainability reporting to include global data, not information specific to the U.S. alone. However, the standards and laws referenced for development of the metrics are often nation-specific rather than internationally-recognized standards. For example, compliance standards developed for the EU Packaging and Packaging Waste Directive are cited under Packaging Lifecycle Management, yet are not applicable in the U.S.; the same is true of the REACH standards cited under Product Environmental, Health, and Safety Performance. Use of the SASB metrics by a global company will require significant duplicative reporting by country. SASB should permit companies to report data using applicable nation-specific definitions and reporting requirements, as long as the bases for the definitions and requirements are also reported.

Usefulness of Metrics As Indicators of Sustainability

As discussed in the "Specific Comments" section below, we do not believe that the disclosure of particular metrics provides useful, comparable, sustainability-related information for stakeholders. But, more importantly, we do not believe that a simple comparison of any metrics themselves would provide a complete picture of the sustainability performance of the companies that reported those metrics (or didn't report a particular metric because it is not material). Many companies explain the context for the metrics they include in their sustainability reports. Similarly, SASB should encourage stakeholders to consider the entirety of the information provided by

companies that may report based on the Standard, and not to simply compare one company to another based only on the metrics.

SPECIFIC COMMENTS

AF&PA has a number of comments on specific metrics included in the Standard as discussed below. We have omitted metrics on which we do not have any comments.

Energy Management (CN0601-01) *Total energy consumed; percent grid electricity; percent renewable*

1. As discussed above, the Standard should not reference the Green-e standard. Similarly, for the same reasons, the Low Impact Hydropower Institute standard should not be referenced—Federal Energy Regulatory Commission (FERC) licensing should be sufficient. Many companies already report (voluntarily or as required by governments) their renewable energy usage and do not use those standards in reporting. This could lead to confusion among stakeholders as to the discrepancies between the reports.
2. We appreciate the recognition of self-generated energy in the RPC Document, but we still maintain that purchased electricity should be on a net basis, and that should be made explicit in the Standard. This would be consistent with most reporting protocols.
3. As stated, we do not support reference to the Green-e standard for biomass renewable energy. However, if SASB maintains the reference, then we recommend that SASB maintain consistency across its standards and include the reference to third-party sustainable forest management and procurement certifications for biomass materials (which was just added to the Containers & Packaging Standard Energy metric). As a drafting suggestion, we recommend that SASB change “and” to “or” in the sentence adding these certifications to make clear that there are three independent options for biomass renewable energy, and that biomass materials are not required to meet all of the three options to qualify as renewable.

Renewable energy--“Short time” (.05): This note should also include the reference that was included in the Containers and Packaging Standard, footnote 17 under Product Lifecycle Management & Innovation that discusses the meaning of a “short time” for renewable resources (https://www.wto.org/english/res_e/booksp_e/anrep_e/wtr10-2b_e.pdf)

Water Management (CN0602-02) *Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress*

Total Water Withdrawn (.07): AF&PA members are working to reduce water use in their mills by 12 percent -- an AF&PA Better *Practices, Better Planet 2020* sustainability goal -- and have achieved a 6% reduction in 2012 from the 2005 baseline. This demonstrates significant progress in reducing the water footprint of member mills. In addition, while the pulp and paper industry withdraws a significant amount of water for its manufacturing operations, it returns about 90% of the water withdrawn. The remainder is returned to the atmosphere or is in our products. Thus, the industry's consumptive use of water is very low, which may be of more importance especially in water stressed areas, where removals of water from the watershed (i.e., water consumption), rather than merely water use, are of most concern. However, as discussed below, not all facilities have the ability to accurately measure the amount of water withdrawn--and it is even more challenging to measure consumptive use.

The industry's water profile and the measurement challenges discussed above illustrate some of the complications in choosing a water metric for sustainability reporting. This complexity becomes even more apparent when one considers that companies will be aggregating their individual mill water data and reporting on a global basis, while water sustainability issues clearly are very site-specific. Accordingly, we recommend that the Standard allow companies to choose appropriate water metrics for disclosure and require discussion of why the metric was chosen and other relevant information needed to explain the water sustainability performance of the company. This is another case where simply comparing metrics does not result in increasing an investor's understanding of the performance of different companies, and where the Standard should encourage Standard users to consider all of the information on an issue provided by a company, as we noted in our General Comments above.

No matter which metric is chosen, we appreciate SASB's recognition that not all facilities have the measurement capability to accurately measure the amount of water withdrawn. AF&PA uses effluent discharge volume as a surrogate for water use. We believe that is a good surrogate as it is required to be reported to government agencies and we discharge most of what we withdraw. We believe the following statement in .10 allows our members to use the same surrogate, as long as they disclose it, and request that SASB confirm this is the case and maintain the use of estimates in the Provisional Containers and Packaging Standard: "For registrant's operations that are not submetered in a way that allows direct measurement of water use, estimation is acceptable and shall be disclosed as such."

Percentage recycled (.08): This is another metric that may be calculated in more than one way, and where estimation should be allowed, per the statement in .10.

In addition, this metric has some complex tradeoffs that raise questions about its utility for sustainability reporting purposes. Importantly, there is potential for increased consumptive loss of water from the local watershed as a facility increases the amount of water recycled. There also could be energy tradeoffs as well, and simply calculating the

percentage recycled can be a very resource intensive effort. In addition to being difficult to calculate, the water recycle metric does not lend itself well to benchmarking. One of the primary ways mills reduce overall water usage is by making capital investments in more water efficient equipment, such as replacing drum washers with wash presses in a bleach plant or replacing old paper machine vacuum pumps with new, water efficient ones, for example. With these sorts of investments, mill water recycling decreases. Finally, while the Containers & Packaging Provisional Standard provided additional description for calculating percentage recycled, it does not resolve our concerns around the challenges of performing the calculations, and assumes that there is only one method for calculating the percentage of recycled water.

Accordingly, we suggest that reporting on water recycling should be voluntary. Under this approach, companies that have expended the resources to document the percentage recycled can report the results, and the methodology they used.

Water Stressed Areas (.09): For the reasons discussed above, AF&PA does not support the use of private, non-consensus standards such as the World Resources Institute (WRI) Water Risk Atlas tool, Aqueduct. In addition, as discussed in more detail in the NCASI comments, the tool is designed to reflect water stress at a large regional level and it is simply incapable of accurately indicating water stress at a facility level. SASB should allow companies to describe the methods or tools they have used to determine whether their facilities are operating in water stressed areas.

Packaging Lifecycle Management (CN0602-03) *Total weight of packaging sourced and (1) percentage made from recycled or renewable materials and (2) percentage that is recyclable or compostable*

We have an overall concern with the ability of registrants to perform the calculations that seem to be required by this metric. Because, it is not clear which type of packaging is within the scope of the Standard – primary, secondary, transport, or all--it would be cumbersome to calculate the weight of each, and it would be especially difficult to obtain recycled content or compostability numbers from packaging suppliers from each level of packaging. In the “Product Lifecycle Management” section of the Containers & Packaging Provisional Standard, SASB significantly changed the text of the metric to include references to ISO 14021:1999. AF&PA supports the use of this international standard on life cycle assessments and recommends that SASB change the text of the Household and Personal Care Products’ ‘Packaging Lifecycle Management’ section to correspond to the one in Containers and Packaging, specifically by referencing ISO 14021:1999 and by removing references to the FTC Green Guides. Below are additional comments on specific aspects of the Packaging Lifecycle Management metric.

The registrant shall disclose the total weight of packaging it sourced, in metric tons (.11): We do not believe that total weight of packaging is a particularly informative

metric, as there are a wide variety of products included within the scope of this standard, all with differing requirements regarding safety, product protection, integrity etc, Further, as noted below, we appreciate that SASB removed the language about “minimizing” weight and volume of packaging (see discussion below under Packaging Lifecycle Management), and therefore, it seems inconsistent for SASB to include a metric on total weight. Among other concerns, stakeholders likely will always assume a lighter weight package is preferable to a heavier one, which may not always be the case.

The registrant shall disclose the percentage of packaging (by weight) made from recycled or renewable materials (.12):

1. This portion of this metric pertaining to recycled materials is of more importance to procurement managers within a company and consumers than it is to investors, and should be removed. The assumption that more recycled content is better is not always true. The choice of fiber used in a packaging product – whether virgin or recovered fiber – must strike a balance among quality, cost, functionality, and production performance for each grade and each facility. The amount of recycled material within a given product is highly dependent upon the functional requirements of a packaging product. Further, while not explicit, the phrase “recycled *or* renewable” implies that a registrant must choose between counting its materials as one or the other, but not both. Recycled fiber also is renewable and should be allowed to be counted as both recycled material and as renewable material.

Additionally, ISO 14021:1999, which SASB references in the Containers & Packaging Provisional Standard, does not prevent a material from being considered both recyclable and renewable. Since SASB has referenced this ISO standard in a previous SASB standard regarding packaging, we believe they should do so here as well, to maintain consistency throughout their standards. Furthermore, ISO 18601 specifically notes in its introduction that, when using the word “or,” it means either one or both. The language used in the standard is: “This standard does not use the term “and/or” but instead, the term “or” is used as an inclusive disjunction, meaning one or the other or both.” We suggest that this language be added to the Household and Personal Care Standard to clarify that both options are allowed.

Forcing a registrant to choose between one attribute or another is inconsistent with the goal of the SASB standards development process, which is to increase transparency and disclosure of material information for stakeholders, including investors. We believe that those stakeholders would want to know if materials have both recycled and renewable attributes.

2. As discussed above under “Energy Management” this note should also include the reference that was included in the Containers and Packaging Standard, footnote 17 under Product Lifecycle Management & Innovation that discusses the meaning of a

“short time” for renewable resources

(https://www.wto.org/english/res_e/booksp_e/anrep_e/wtr10-2b_e.pdf).

The percentage is calculated as the total weight of packaging made from recycled or renewable materials divided by the total weight of all packaging used by the registrant (.13). For paper-based packaging products, the reference in the Standard to calculate percent recycled content is inconsistent with industry standards. Currently the industry calculates percent recycle content on a total product “fiber weight” basis rather than a total “product weight” basis (i.e., lbs. recycled fiber/total lbs. fiber in product vs. lbs. recycled fiber/lbs. total product weight including fiber, filler and coating). Further, while not explicit, the phrase “recycled **or** renewable” implies that a registrant must choose between counting its materials as one or the other, but not both. Recycled fiber also is renewable and should be allowed to be counted as both recycled material and as renewable material. Forcing a registrant to choose between one attribute or another is inconsistent with the goal of the SASB standards development process, which is to increase transparency and disclosure of material information for stakeholders, including investors. We believe that those stakeholders would want to know if materials have both recycled and renewable attributes.

For materials that contain a portion of recycled material as well as virgin material and/or that contain a combination of renewable and nonrenewable materials, the registrant shall use the percentage of the recycled or renewable material, by weight, in its calculation (.14). While not explicit, the phrase “recycled **or** renewable” implies that a registrant must choose between counting its materials as one or the other, but not both. Recycled fiber also is renewable and should be allowed to be counted as both recycled material and as renewable material. Forcing a registrant to choose between one attribute or the other is inconsistent with the goal of the SASB standards development process, which is to increase transparency and disclosure of material information for stakeholders, including investors. We believe that those stakeholders would want to know if materials have both recycled and renewable attributes.

The registrant shall disclose the percentage of packaging (by weight) that is recyclable or compostable, where (.15): For the purposes of this disclosure, reusable shall be considered recyclable.

1. While not explicit, the phrase “recycled **or** compostable” implies that a registrant must choose between counting its materials as one or the other, but not both. Recycled fiber also can be compostable and should be allowed to be counted as both recycled material and compostable, as applicable. Forcing a registrant to choose between one attribute or another is inconsistent with the goal of the SASB standards development process, which is to increase transparency and disclosure of material information for stakeholders, including investors. We believe that those stakeholders would want to know if materials have both recycled and compostable attributes.

2. We do not support treating all reusable packaging as if it also is recyclable. First, not all reusable packaging actually is recyclable. For example, reusable plastic crates are reusable, but are not meant to be recyclable. Second, there are a number of different requirements for classifying packaging as either “reusable” or “recyclable” and adopting this proposed provision would confuse stakeholders as to the meaning of these terms. This aspect of the SASB standards differs from all definitions of “recyclability” in both domestic U.S. and international standards.

The percentage is calculated as the total weight of recyclable or compostable packaging divided by the total weight of all packaging (.16). While not explicit, the phrase “recycled *or* compostable” implies that a registrant must choose between counting its materials as one or the other, but not both. Recycled fiber also can be compostable and should be allowed to be counted as both recycled material and compostable, as applicable. Forcing a registrant to choose between one attribute or the other is inconsistent with the goal of the SASB standards development process, which is to increase transparency and disclosure of material information for stakeholders, including investors. We believe that those stakeholders would want to know if materials have both recycled and compostable attributes.

Packaging Lifecycle Management (CN0602-04) Description of Strategies to Reduce the Environmental Impact of Packaging Throughout its Lifecycle

The registrant may choose to discuss the results of lifecycle analysis (LCA) of its packaging that it has undertaken in the context of its management approach to optimizing the environmental impacts of its packaging (.19)

We appreciated that SASB does not include the word “minimization” in this metric and is focusing on reducing environmental impacts. We also appreciate that note .19 discusses the “management approach to *optimizing* the environmental impacts of” the registrant’s packaging (emphasis added).

Disclosure Options (.18): Reference is made to the Sustainable Packaging Coalition’s Material Use metrics. It is our understanding that those metrics are no longer being used by the Coalition; the reference should be removed.

Product Environmental, Health, and Safety Performance (CN0602-05 and 06)
Percentage of products that contain REACH substances of very high concern (SVHC); and Revenue from California DTSC Priority Products

We strongly object to these metrics (as well as the reference to Proposition 65 in Note .33 and to the DTSC Work Plan in Note .34). Requiring registrants to adhere to international regulatory requirements or the requirements of a particular U.S. state is tantamount to turning the SASB standard into a regulatory regime for products that are

subject to the standard. Some of the lists issued under these regulations contain hundreds, if not thousands, of substances that are of concern. Compliance with these requirements would impose a significant and costly administrative burden. Similarly, we object to the requirement that products not even subject to E.U. regulation must be included within the scope of reporting. Further, the requirement that the registrant calculate and disclose percentages of products meeting the regulatory thresholds based on revenue raises business confidentiality concerns for the reporting company and for its suppliers of additives with confidential formulations.

Finally, while we acknowledge that Note .21 includes what could be considered a *de minimis* threshold for reporting, it still may not be possible for a registrant to know all of the chemicals of concern in its products, as suppliers of additives, for example, may claim that information is confidential and not provide it purchasers.

Product Environmental, Health, and Safety Performance (CN0602-07) *Discussion of process to identify and manage emerging materials and chemicals of concern*

To the extent that SASB retains a metric under the category, we prefer a qualitative metric such as this one. SASB should realize, however, that many of the substances listed in note .32 are not material to the paper and paper-based packaging industry, as to a large extent the industry's products covered by this standard are packaging, tissue or other paper-based personal or household products, and not products such as soaps, shampoo etc. Therefore the industry registrants likely would find material only those situations in which a listed "chemical of concern" presents unique exposures leading to unacceptable risks, and we do not expect that situation to arise frequently.

Environmental & Social Impact of Supply Chains (CN0601-10) *Total wood fiber sourced, percentage from certified sources*

We have an overall concern with the ability of registrants to perform the calculations that seem to be required by this metric. Because it is not clear which type of packaging is within the scope of the Standard – primary, secondary, transport, or all – it would be cumbersome, if not impossible, to perform the calculations across the value chain to derive the required metrics. It also could raise confidential business information concerns.

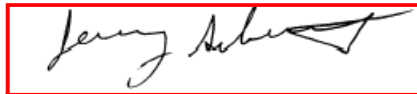
The registrant shall disclose the percentage of its wood fiber-based materials that were sourced from certified sources, where...(42):

1. As discussed above, the SASB standards should not be referencing private standards, as it is not up to SASB to determine which standards demonstrate responsible forest management practices. If, however, the Standard list responsible sourcing standards, the American Tree Farm System (ATFS) also should be included. ATFS recently was added to the list of certifying organizations in SASB's Containers

and Packaging Provisional Standard. Further, while the Containers and Packaging Provisional Standard also includes the phrase “or equivalent,” which clearly would include ATFS, the Household and Personal Care Standard does not. There is no reason to include the other major certification programs in the U.S. and not include ATFS, which also is a recognized major U.S. certification program. Further, only Forest Stewardship Council (FSC) labels are provided as examples. The Standard should either list all the labels of all the certification systems (including ATFS), or it should not include any example labels.

AF&PA appreciates the opportunity to comment on the Standard. Please contact Jerry Schwartz at (202-463-2581 or jerry_schwartz@afandpa.org) or Katie Missimer ((202-463-5179 or Katie_missimier@afanda.org) if you have any questions on our comments.

Sincerely yours,

A handwritten signature in black ink, enclosed in a red rectangular box. The signature appears to read "Jerry Schwartz".

Jerry Schwartz
Senior Director
Energy and Environmental Policy

Public Comment Letter
Exposure Draft Standard: Consumption I
Meat, Poultry, and Dairy Sustainability Accounting Standard
Sustainable Industry Classification System™ (SICS™) #CN0102

Jed Davis, Director of Sustainability
Agri-Mark/Cabot Creamery Cooperative
April 14, 2015

Dear SASB Stakeholders,

Thank you for the open opportunity to provide critical feedback on the exposure draft of the ***Meat, Poultry and Dairy Sustainability Accounting Standard***, which includes our own industry of operation, dairy. We are a cooperative business owned by our farmer-members, perhaps best known for our award-winning line of Cabot® brand cheddar cheese and dairy products, and we are a certified B Corp. As such, we are not subject to the same SEC disclosure regulations as publicly-owned organizations, but are actively interested in the evolving field of Sustainability Accounting. In this sense, our Comment joins the many others who are stakeholders of the regulated investment mechanisms that ultimately impact us all, whether or not we are direct shareholders or managers of companies mandated to comply with SEC regulations.

We support the input offered via *Consumption I* by the Innovation Center for U.S. Dairy, of which we are an active member. However, our Comment focuses specifically on the issue of *Accounting Metrics*, where you ask respondents to please:

- Provide comments to correct, improve, or add to accounting metrics in the standards.
- Suggest additional or alternate accounting metrics to measure performance with respect to a disclosure topic.

Although SASB refers to **Sustainability Accounting Metrics**, nowhere is there evidence of Accounting Metrics that would enable a reporting company to answer the fundamental question of “are our impacts on vital capitals *sustainable*?” We applaud your embrace of capitals (“common capitals”), but it appears that what are referenced as “Sustainability Accounting Metrics” are perhaps better described as “Impact Accounting Metrics.” These metrics may disclose information, especially in an Environmental/Social/Governance (ESG) version of a triple bottom line, but fail to take sustainability literally. In other words, in accordance with the description of *Sustainability Accounting Metrics*, the metrics would need to account for impacts relative to norms, standards or thresholds for what they would have to be in order to be sustainable.

Continued...



Owned by the farm families of Agri-Mark who provide their farm fresh milk to their award-winning brands.

agrimark.coop | cabotcheese.coop | mccadam.coop

Take, for example, Greenhouse Gas Emissions (CN0102-01 and CN0102-02). The closest the Exposure Draft comes to asking for *Sustainability Accounting Metrics* is CN0102-02 .09, which asks, “Whether the target is absolute or intensity based, and what the denominator is if it is an intensity based target.” In order for this disclosure to qualify as a bona-fide *Sustainability Accounting Metric*, it would need to express emissions relative to *context-* or *science-based* targets.

As you are no doubt well aware, *Context-Based Metrics* get their name from the Principle of *Sustainability Context* enshrined in the second generation of the Global Reporting Initiative (GRI) Guidelines in 2002 (G2). The Principle calls for companies to discuss “the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, or global level.”¹

We agree with the opinions expressed by Allen White of Tellus Institute, Co-Founder of GRI and Founder of the Global Initiative for Sustainability Ratings (which also includes the *Sustainability Context* Principle), says that, “Sustainability requires contextualization within thresholds. That’s what sustainability is all about,” he adds, and further elaborates: “It means that the company is positioned to prosper for the long-term and in a way that respects limits, thresholds, and norms that are externally defined, not simply defined by peer group comparison or internal targets and goals.” In essence, this latter definition (“peer group comparison or internal targets and goals”) represents Impact or ESG Accounting, of which White says: “ESG does not, by nature, carry a true sustainability gene.” White points out that ESG reporting is prevalent, whereas “to this day in the reporting world, as you well know, Sustainability Context is incipient, uneven, and occasional.”

On GHGs, applying Context-Based Metrics calls for comparing a company’s carbon footprint to its fair and proportionate share of the global carbon budget. Several proven methodologies exist to readily deliver this relevant and useful material information in ways that are cost-effective, comparable, and auditable.

Autodesk’s CFACT (Corporate Finance Approach to Climate-Stabilizing Targets) methodology – based on BT’s Climate-Stabilizing Intensity (CSI) Targets methodology (created in conjunction with *Limits to Growth* Co-Author Jorgen Randers) is open source and freely available, and the Center for Sustainable Organizations’ Context-Based Carbon Metric – which Agri-Mark has been using successfully for a number of years – is also in the public domain, and free to end users. All of these are catalogued in the “Existing Methodologies” section of the *Science-Based Targets* initiative (co-convened by CDP, World Resources Institute, WWF, and the UN Global Compact), on whose Technical Advisory Group I serve.

To underscore the importance of Context-Based Metrics when it comes to Sustainability Accounting Metrics, I would direct your attention to a 2014 study we conducted at Agri-Mark on our carbon emissions from 2005 to 2011, which found contradictory signals sent by *Absolute*, *Intensity*, and *Context-Based Metrics*. We are in the process of updating this study this year; early indications are that findings will remain consistent.

Continued...

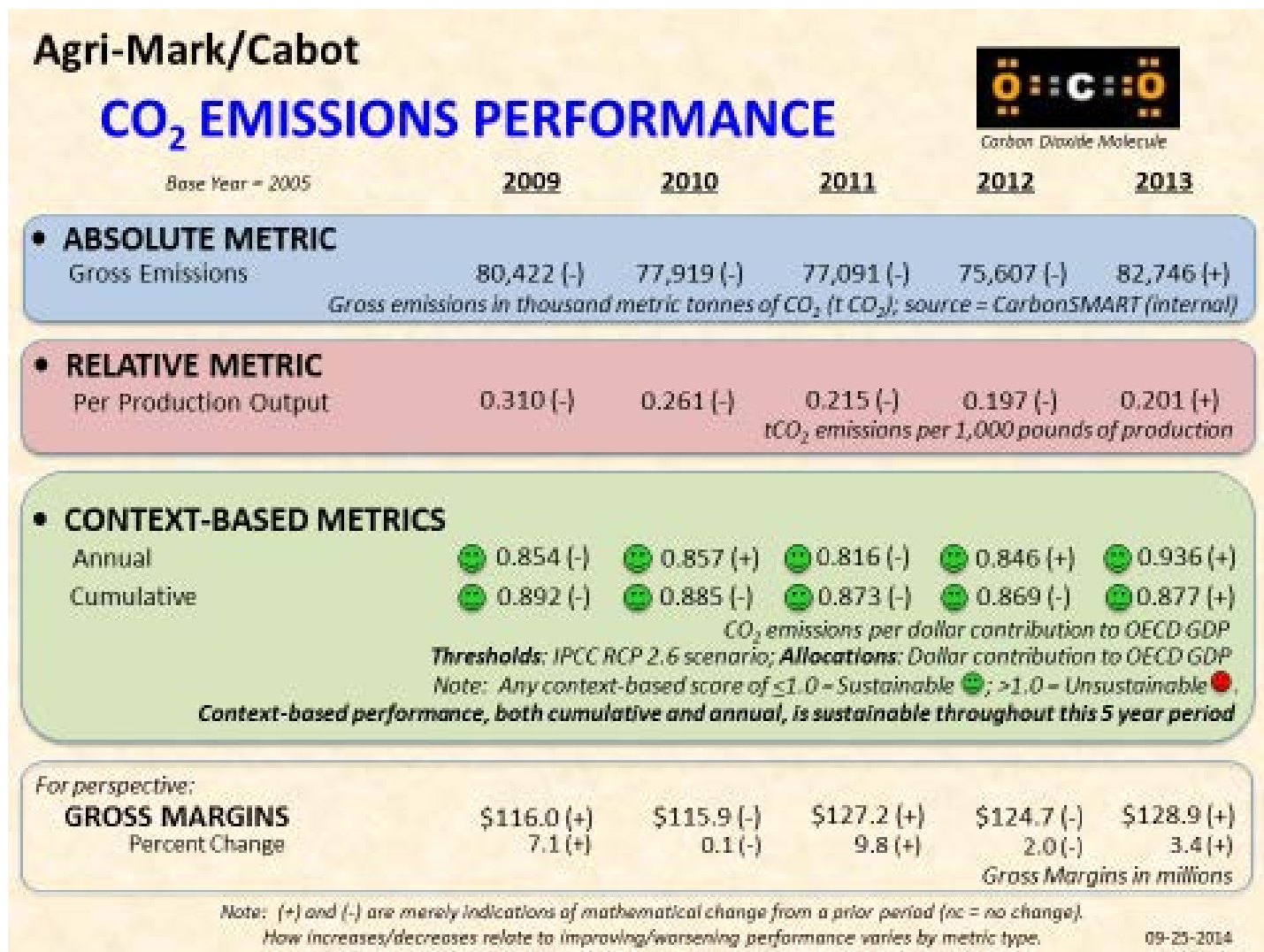
¹ <https://g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/sustainability-context/Pages/default.aspx>



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For example, in years when *Context-Based Metrics* (based on climate science) found our performance sustainable (and trending toward deeper sustainability), *Absolute* and *Intensity Metrics* sometimes found us trending toward “worse” performance; and one year, *Absolute* and *Intensity Metrics* found us trending toward “better” performance, while *Context-Based Metrics* found our performance sustainable yet trending in the wrong direction.



The implications of this study for SASB’s current accounting regime are sobering, suggesting that its *Impact (or ESG) Accounting Metrics* are providing users, investors and other stakeholders alike, data that does not accurately reflect *sustainability* performance, and therefore cannot be described as *Sustainability Accounting Metrics*. In other words, when it comes to *Sustainability Accounting*, absolute and intensity metrics have been shown to be unfit for this purpose, notwithstanding their popularity.

Continued...



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In closing, we reiterate the core issue at the heart of SASB's mission (and captured in its name): namely, how one defines *Sustainability Accounting*. SASB seems to be saying that corporate disclosures of organizations' *impacts* may be context-free (numerator only), and need *not* include context-based *denominator* data that is needed in order to understand the *sustainability* performance of a firm. We fail to see how such a system can be described as a *Sustainability Accounting* system at all. As Allen White so eloquently stated, "Sustainability requires contextualization within thresholds. That's what sustainability is all about."

We look forward to SASB rectifying this shortcoming in this standard – and ideally across *all* its standards.

Thank you for your consideration,

Jed Davis
Director of Sustainability
Agri-Mark/Cabot Creamery Cooperative



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April 14, 2015

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Dear Sustainability Accounting Standards Board,

The American Cleaning Institute® (ACI) is the trade association representing the \$30 billion U.S. cleaning products market. Our members include the formulators of soaps, detergents and general cleaning products used in household, commercial, industrial and institutional settings; companies that supply ingredients and finished packaging for these products; and oleochemical producers. ACI and its members are dedicated to improving health and the quality of life through sustainable cleaning products and practices. ACI's mission is to support the sustainability of the cleaning products industry through research, education, outreach and science-based advocacy. Since 1926, ACI has promoted health through personal hygiene and effective cleaning. More information about ACI can be found at www.cleaninginstitute.org.

ACI appreciates the opportunity to comment on the Household & Personal Care Products Sustainability Accounting Standard exposure draft standard for public comment. We value the continued opportunity to engage in the industry working group process and efforts of the Sustainability Accounting Standards Board (SASB). ACI shares with SASB the common goal of promoting sustainable practices across this industry and acknowledges that the creation and disclosure of sustainability metrics can move us toward this shared goal. To this end, we offer the following recommendations to SASB for consideration during this standard development process.

General Comments on the SASB Sustainability Accounting Standard

In order to drive progress toward sustainable business practices, it is essential for indicators to provide science-driven, accurate and comprehensive measures of sustainability. Currently, many of the metrics provided in the accounting standard do not provide SASB's stakeholders with the most useful indicators of performance or risk management, and can be improved.

The draft metrics are structured in a manner focused on single attributes of sustainability and overlook the potential risk areas identified for each topic. Thus, the disclosures do not provide the stakeholder with sufficient information for accurate decision making. For example, disclosure of the current energy metric will provide investors with a snapshot of energy sources and amount consumed, but does not fully address the identified risk of price volatility and climate change impacts. Similarly, the selection of chemicals found in the formulation of a cleaning product requires consideration of a vast number of indicators, including but not limited to considerations around safety, performance, functionality, biodegradability, persistence, and life cycle impacts.

As currently drafted, the quantitative metrics for Product Environmental, Health, and Safety Performance will only provide a snapshot of a single one of these indicators. It is important to ensure each metric directly and completely address the risks identified by SASB, as inaccurate or misrepresentative measures may mislead investors to the detriment of truly sustainable companies. ACI recommends SASB reconsider the draft metrics in each category and ensure the information provided by each disclosure directly addresses the concerns and potential risk identified in the Industry Brief. Further consultation with key stakeholders who would be utilizing the information may be necessary.

Additionally, SASB should note that utilizing regionally focused regulations and definitions in the context of its sustainability accounting standard, which is meant to apply to both companies in the U.S. and companies doing business outside the U.S., creates many challenges. A company not doing business in a particular region is not required, in its normal course of business, to adhere to regulatory frameworks in that particular region. SASB's standards would require companies to adhere to additional and potentially repetitive frameworks, thus creating a significant new burden for these companies. Further, these organizations have limited or no voice in the development and implementation of such rules. The application of an extensive regulatory framework on a company not otherwise regulated by the given set of rules and not privy to the development process of such rules would be too costly and could cause a significant competitive disadvantage, especially to the extent that this accounting standard is used for decision making by investors and the public. Metrics and definitions which are applicable globally are preferred in order to reduce exposure to competitive disadvantages and disparities in the cost burden.

Furthermore, alignment with standards such as the Global Reporting Initiative (GRI) or CDP can reduce the reporting burden on companies who are already reporting sustainability metrics and will ultimately provide a higher level of data quality and accuracy as compared to the creation of a new system. Minimizing the burden of measurement and reporting allows resources to be focused on more sustainable practices and business activities, rather than on reporting slightly divergent metrics in various fora. As such, ACI recommends SASB utilize and align with, to the fullest extent possible, metrics and definitions which are already used in the sustainability reporting space or are globally recognized.

It should also be recognized that for the tools or standards explicitly referenced within the standard, relevant substitutes which perform a similar function but may be more suitable to a given company or region may exist. ACI recommends SASB add flexibility into the standard in order to allow for equivalent tools or standards to be utilized.

Specific Comments on Household & Personal Care Products

1. Energy Management

CN0601-01. Total energy consumed, percentage grid electricity, percentage renewable

The sustainability accounting standard identifies Energy Management as a material issue due to the risk of price volatility and indirect climate change impacts. While the draft metrics are aligned with global industry disclosure standards, as presented they are standalone indicators that do not directly address climate ambition or resilience of a company's value chain. While important from a sustainability point of view, it is highly unlikely that total energy consumed, percentage grid electricity and percentage renewable energy would translate to material information for a financial stakeholder. As an alternative, SASB should consider

utilizing the CDP Climate Change score as an indicator of a company's climate ambition. CDP scores companies based on both disclosure and performance against a variety of factors and would present a more useful indicator.

ACI recommends SASB consider the materiality of the information provided by disclosure of Metric-01 and seek an alternative which better addresses the identified risks.

2. Water Management

CN0602-02. Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress

Total fresh water withdrawn, percentage recycled, and percentage in regions with High or Extremely High Baseline Water Stress may not be appropriate accounting metrics for presenting stakeholders with adequate material information regarding the identified issues of steady water supply and efficient water use. Similar to Energy Management, these standalone indicators lack context and leave information to be desired regarding a company's entire water management risk profile. Utilizing a scoring platform such as the CDP Water Score, which encapsulates multiple attributes of water management activities, would provide stakeholders with more material information.

Moreover, the total water use metrics has been well-defined for a number of years in sustainability reporting and is one of the most universally reported indicators. Currently, the draft metric is defined differently than many major reporting bodies, including GRI and the CDP Water Questionnaire. The focus on total fresh water rather than total water withdrawal as defined in GRI Indicator EN8 creates an unnecessary reporting burden for the vast number of organizations already reporting globally in accordance with the GRI framework. New data collection processes or data restatements would likely need to be put in place in order to adhere to the EPA definition of fresh water referenced in the standard, which does not currently have global presence. Additionally, limiting the scope of this metric to fresh water does not provide significantly more material information to an investor than the current well-established metric.

ACI recommends SASB consider the materiality of the information provided by disclosure of Metric-02 and seek an alternative which better addresses the identified risks. Should Metric-02 remain in current form, ACI recommends modification to the draft metric to align with well-established reporting criteria. The metric should be defined with respect to "Total Water Withdrawn" according to GRI EN8, rather than "Total Fresh Water Withdrawn."

3. Packaging Lifecycle Management

CN0602-03. Total weight of packaging sourced and (1) percentage made from recycled or renewable materials and (2) percentage that is recyclable or compostable.

The feasibility of consistent responses to this metric as currently drafted is reduced due to the lack of clarity around scope and lack of clear definitions.

Currently, the draft defines the scope in terms of primary package and secondary shipping materials. The definitions of primary, secondary and tertiary packaging most commonly used vary based on how a

particular product is packaged. For example, bar soap has a primary package (carton), secondary package (film) and tertiary package (case); whereas, liquid laundry detergent has a primary package (bottle) and secondary package (case). More specificity is needed to reduce variability in interpretation.

Additionally, globally referenced definitional standards for recycled materials, renewable materials, recyclable package and/or compostable package are limited. Furthermore, it is unclear in the current stated definition whether a recyclable package or compostable package includes availability of local infrastructure for the consumer to complete this step at the end of life. For example, the FTC Green Guides require recyclable product claims to consider the ability for the consumer to recycle within local infrastructure. Including such information can be challenging as quality data regarding local infrastructure is not widely available in the US or internationally.

ACI recommends modification to Metric-03 to further define the scope of packaging included within this disclosure and provide clear global definitions for the terms recycled material, renewable material, recyclable, and compostable.

CN0602-04. Description of strategies to reduce the environmental impact of packaging throughout its lifecycle

While important from a sustainability point of view, a description of strategies to reduce the environmental impact of packaging throughout its life cycle is qualitative and will likely not meet criteria to be financially material. Packaging is a product specific issue and the importance of packaging to the overall impact and key risks vary from product to product. A discussion at the product Life Cycle Analysis (LCA) level does not provide stakeholders with information necessarily material to a financial decision. Focusing metrics in the overall risk areas identified (material extraction, transportation impacts, and waste generation) would provide a more useful indicator of company performance.

ACI recommends withdrawal of Metric-04 as it will not provide material information to the targeted stakeholders. SASB should consider presenting the risk associated with Packaging Lifecycle Management in a manner less focused on product specific attributes and more in line with the risks identified.

4. Product Environmental, Health, and Safety Performance

CN0602-05. Percentage of products that contain REACH substances of very high concern (SVHC)

As mentioned in the general comments, utilization of the European specific REACH regulation beyond its scope of implementation to companies who otherwise are not regulated by said body would impose a significant cost burden.

Additionally, the nature in which a product is used is tremendously important as potential exposure plays a large role in the level of concern of a particular chemical use. While ECHA's SVHC Candidate list provides a starting point for chemicals that may be of concern, a different level of risk is present in every product use application. Within the REACH program, manufacturers, importers or downstream users can apply for an authorization with ECHA in order to place on the market or use a substance on the Authorization List. Authorizations are granted when the applicant can demonstrate that the risk from the use of the substance is

adequately controlled or when it is proven that the socio-economic benefits of using the substance outweigh the risks and there are no suitable alternative substances or technologies. In such cases, it should not be required of a company to report this substance as a concern under this metrics.

ACI recommends withdrawal of Metric-05 and replacement by an approach applicable worldwide. Should the metric remain included, the scope of this draft metric should be modified to explicitly exclude those substances associated with uses which have been authorized.

CN0602-06. Revenue from California DTSC Priority Products

There are a number of issues with basing a metric on a program for which, to date, the regulatory process is not yet complete. Tracking progress annually with respect to this metric will be challenging if not impossible as the process continues to develop. It is also unclear how long it will take until this metric becomes applicable to household & personal care products. The usefulness of this metric as an indicator of sustainability is questionable, at best.

As well, products should be given the benefit of a complete regulatory process before being subjected to increased scrutiny. While selecting potential priority products is one aspect of the SCP regulation, it is only the second step of a four-step process that could eventually lead to DTSC implementing a regulatory response. Once the initial Priority Products list is adopted in regulations, manufacturers are required to begin the Alternatives Analysis process, the results of which will ultimately determine what regulatory response, if any, DTSC may impose. Similar to the REACH authorization process noted above, it may be demonstrated that no suitable alternative exists for a given socio-economic benefit the product is providing. Therefore, report on this metric should be limited to instances in which a regulatory response has been implemented.

ACI recommends withdrawal of Metric-06 as, at present, it will not provide material information to investors and is only enforceable in a single region. Should the metric become feasible in the future once a priority products list undergoes rulemaking and no alternative global metric is available, ACI would recommend modification to the scope of this draft metric to include only priority products which have undergone the complete regulatory process.

CN0602-07. Discussion of process to identify and manage emerging materials and chemicals of concern

The qualitative nature of this metric is preferable to handle the issue of product environmental, health, and safety performance as it allows useful discussion of complexities and tradeoffs in this space. However this approach, as currently drafted, requires disclosure of potentially proprietary information regarding chemical selection and management. Rather than prescribing disclosures on specific chemicals or chemical categories, companies should be provided the flexibility to determine the materiality of a specific substance to their business. The basis for including the specific disclosures in line 32-34 is unclear and in no way seems to be based on scientific information. Disclosure should remain at a process and procedure level, providing the most material information in a manner that does not unduly burden the reporter and is respectful of confidential business information protections.

ACI recommends modification of Metric-07 to reduce reporting burden and protect confidential business information. Lines 32-34 should be removed and the metric refocused around discussing the process for identifying and managing emerging materials and chemicals of concern.

CN0602-08. Revenue from products designed with green chemistry principles

Determination of revenue of products designed with green chemistry is subjective, particularly if improvement in only one parameter is requested with no consideration of other factors. This subjectivity also leads to a metric which will be difficult to measure and consistency from company to company would be questionable. In addition, development and collection of the information required to conform to this metric may yield an unjustifiable cost burden as product details are not traditionally collected in the fashion required for this disclosure.

ACI recommends withdrawal of Metric-08 as it does not provide material information addressing the key risks related to Product Environmental, Health, and Safety Performance.

5. Environmental & Social Impacts of Supply Chains

CN0602-09. Percentage of palm oil sourced that is certified to the Roundtable on Sustainable Palm Oil (RSPO) standard

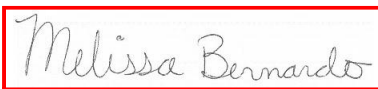
As a member company of the RSPO, organizations are required to publically disclose an annual communication of progress. In an effort to harmonize reporting efforts and utilize standards already in practice, it would be in SASB's best interest to align additional reporting requirements with the RSPO annual communication of progress. At present, the draft metric adequately describes the scope for the metric with respect to supply chain mechanisms (Identify Preserved, Segregated, Mass Balance); however, the scope is not clear with respect to the types of palm oil that are included. For example, RSPO requires data for Refined Palm Oil (or RBD Palm Oil); Palm Kernel Oil; and Palm Oil Derivatives and Fractions. The draft metric needs to clarify which types of palm oil should be included in the calculation.

Additionally, the current metric specifies certification through the RSPO certification scheme only and other available, equivalent tools should be considered (e.g. Rain Forest Alliance).

ACI recommends further defining the scope of Metric-09 to clarify which types of palm oil are to be included in reporting and expanding the metric to include equivalent certification schemes.

In summary, ACI encourages SASB to consider the utilization of preexisting globalized standards in order to harmonize common definitions and metrics, and take extra care to ensure each metric will provide accurate material information to stakeholders. ACI believes the usability and relevance of the Household and Personal Care Standard Sustainability Standards draft can be increased and SASB should consider implementing feedback received from key stakeholders thoughtfully as the draft standards continue to develop.

Sincerely,



Melissa Bernardo
Senior Manager, Sustainability Initiatives
American Cleaning Institute

April 14, 2015

The Beverage Industry Environmental Roundtable (BIER) welcomes the opportunity to respond to the Exposure Draft Standard for **Alcoholic Beverages**. The feedback and comments represent an aggregation of the industry perspective – individual companies may have a different view. Overall, BIER believes that the detail currently presented in the 10-k is sufficient for describing material issues for investors. BIER member companies voluntarily disclose non-financial information, including sustainability information such as the items detailed in the Standard, to varying degrees. It is in this light that BIER provides feedback: to encourage standardization among requests for information.

Where possible, BIER has linked existing supporting documents that should be considered as part of the references for the questions, as BIER has prepared several industry standards, leveraging learnings and input from member companies, to which member companies align.

BIER generally supports the criteria that SASB has detailed: relevant, useful, cost-effective, complete and comparable among others. Our comments seek alignment with these criteria, and are summarized below.

Greenhouse Gas Emissions

Scope 2 Greenhouse gas emissions are not requested as part of the standard disclosures detailed by SASB. However, Beverage Industry companies have prepared and disclosed Scope 1 and Scope 2 emissions disclosures for many years. Since Scope 2 emissions can be influenced by the companies, via energy efficiency measures choice of energy supply, BIER questions the exclusion of disclosure of Scope 2 emissions. Please refer to the BIER website for the [Beverage Industry Sector Guidance for Greenhouse Gas Emissions Reporting](#) for additional information on the practices that beverage companies are currently undertaking to gather and report on greenhouse gas emissions.

As a note of potential conflict, the energy reported in CN0202-03 (.13-.16) will include all energy consumption (in aggregate), and the emissions reported in CN0202-01 (.01-.03) represent only Scope 1 emissions. There is an opportunity for misunderstanding or misalignment if energy data and emissions data are not linked directly. This alignment issue relates to the completeness criterion and should be considered for revision, to align energy data requested (for operations and fleet) to the emissions disclosed (Scope 1 and Scope 2).

CN0202-01

.01: BIER would like to inquire about the choice of disclosing absolute “gross global Scope 1 greenhouse (GHG) emissions.” A normalized metric would demonstrate efficiency for a responding company and would allow for comparison from year to year. BIER has undertaken an effort to define a “liter of beverage” to be used as a denominator in a normalization technique, which is described in the [Practical Perspective on Water Accounting in the Beverage Sector](#) on page 6.

.03: The GHG Protocol financial control approach is defined, but the operational control model is not. If the Greenhouse Gas Protocol is going to be referenced, include and describe both options that are allowed under that methodology.

Energy Management

CN202-03

.13: Similar to our comments for CN0202-01, BIER inquires about the use of absolute value disclosure alone, such as total energy consumption, when a normalized metric would help to demonstrate efficiency. Please again refer to the [Practical Perspective on Water Accounting in the Beverage Sector](#) for a description of how to normalize per liter of beverage.

.13: Why is “fuel consumption by fleet vehicles” excluded from the energy management measure when it would presumably be included in the CN0202-01 measure for gross global Scope 1 emissions? This is a misalignment and can potentially confuse readers.

.16: Companies in the beverage industry are not yet fully disclosing against the new Greenhouse Gas Protocol Scope 2 standard, published in January 2015 so the information requested in CN0202-03.16 may not be disclosed for all companies in the near-term while the information gathering mechanisms are developed.

.16: It has become a regular, if not common, practice to convey RECs to a 3rd party as part of a power purchase agreement (PPA). BIER questions whether the requirements listed in the SASB standards will stifle additional renewable energy PPAs with the included REC requirements, if there is no perceived benefit to the initiating company. BIER would recommend reconsidering this language to revisit the type of behavior that would be driven through this requirement.

Water Management

“Water management, as it relates to a company’s direct water usage, the exposure of its operations...” BIER would like to know how SASB has defined “operations” in this case. Is operations intended to align with the GHG protocol (e.g. operational boundary) or is it specific to one or more SIC codes for each disclosing company? Operations is a vague word choice that needs clarity or the ability to include definitions for each disclosing company.

CN0202-04

.18: Water withdrawal must be defined to ensure comparability. Where does withdrawal begin?

.18: Similar to our comments for CN0202-01, BIER inquires about the use of absolute value disclosure alone, such as total fresh water withdrawn, when a normalized metric would help evaluate efficiency and would be comparable from year to year. Please again refer to the [Practical Perspective on Water Accounting in the Beverage Sector](#) for a description of how to normalize per liter of beverage.

.19: Recycling is a challenge to measure, because sub-metering is not prevalent, which is not in line with the cost-effective or comparable criteria. The recycling definition used here, documenting multiple reuses, is especially hard to calculate without submeters, or when water is provided for beneficial use beyond the property boundary (e.g. to the community following treatment).

.20: Why is the WRI Water Risk Atlas tool the only tool allowed for evaluating water stress? Many beverage companies have been evaluating water risk for years and are leaders in this space. Several helped to develop the Water Risk Atlas

tool, but others have helped to develop other publicly available tools, or utilize internally developed tools to evaluate risk specific to their company. Companies utilizing a different tool should not be made to conduct additional work to conform to one single tool if the results are essentially aligned, when the methodology could be detailed prior to designating the level of water stress.

Responsible Drinking & Marketing

BIER questions the value that SASB (and investors) will derive from this section as designed. The quality of the responses to the questions as written will vary such that they will not be comparable for peer companies within the beverage industry. Please see our detailed notes below.

CN0202-05

.22 & .24: Per the [Producers' Commitments](#) .25 is the only component to be disclosed as a value, and it should be described using .23. Since the reporting companies vary in size, geographical footprint, products and scope, comparing absolute values or estimation methodologies will likely mislead the reader.

.28: Consider a global reach with the methodologies included as examples. The USA, UK, and Australia are represented, but others are not. The note that the sections is “not limited to” is helpful, but may not be clear due to the examples provided.

Packaging Lifecycle Management

BIER would recommend a revisit to this section, with the perspective of asking questions intending to drive beneficial behavior, specifically behavior toward the lowest overall emissions. Trade-offs should be evaluated as part of these questions so readers have the full perspective – see CDP’s Food, Beverage, and Tobacco Module for questions relating to knock-on effects of packaging choices.

CN0202-09

.38: As written, BIER questions the value the reader will derive from this question. There are so many kinds of packages that total weight will not be comparable across companies unless the more detailed information is known as well. If this question remains, BIER would recommend subsets of the most material categories (e.g. paper, aluminum, glass) rather than a total of all package materials. This would be result in a more comparable metric.

.38: Compostable as a recommended solution or an intended outcome (to increase compostable materials) has its own problems, if composting is recommended as an alternative to recycling. Composting generates significant methane and N2O emissions, and while increasing composting when compared to landfilling may be desirable, increasing composting at the expense of recycling is not. In addition, composting has the ability to contaminate the material source stream, resulting in more waste, rather than less, if the materials could have been recycled.

.39: With the exception of glass, beverage industry companies are purchasing the same materials from the same suppliers, so there is little opportunity to influence or derive a more efficient package than peer companies. Glass is an exception, because glass shapes are influenced primarily through marketing decisions.

.40: Light-weighting and transition between package types is interesting information, and may be useful to disclose here. However, there are trade-offs with each effort. For example, a new lighter-weight package may require more energy to fill, because different machinery for handling the lighter packages would have to be designed.

Environmental & Social Impacts of Ingredient Supply Chains

CN0202-11

.47 & .48: Evaluating ingredients, particularly commodity ingredients, for sourcing in water stressed areas is impossible with today's commodity markets. Consider revision of these questions to account for owned or tier I suppliers, not all 3rd party, where identification can be completed for the regions of sourced ingredients.

CN0202-12

BIER would recommend utilizing questions from The Sustainability Consortium, where ingredient environmental and social considerations have been evaluated and KPIs developed. As written, SASB has increased the reporting burden to companies by asking different questions covering the same topics as an existing questionnaire.

Thank you for the opportunity to provide input. As an industry group with many members that these standards impact, BIER welcomes the opportunity to discuss this response with SASB, and to brainstorm potential solutions to the issues raised. BIER and BIER members are not opposed to transparency or disclosure, but we actively seek opportunities to align disclosure requests to reduce the burden of reporting.

Kind regards,



Anna Blitz
Stakeholder Engagement



Tod Christenson
Director, BIER

April 14, 2015

The Beverage Industry Environmental Roundtable (BIER) welcomes the opportunity to respond to the Exposure Draft Standard for **Non-Alcoholic Beverages**. The feedback and comments represent an aggregation of the industry perspective – individual companies may have a different view. Overall, BIER believes that the detail currently presented in the 10-k is sufficient for describing material issues for investors. BIER member companies voluntarily disclose non-financial information, including sustainability information such as the items detailed in the Standard, to varying degrees. It is in this light that BIER provides feedback: to encourage standardization among requests for information.

Where possible, BIER has linked existing supporting documents that should be considered as part of the references for the questions, as BIER has prepared several industry standards, leveraging learnings and input from member companies, to which member companies align.

BIER generally supports the criteria that SASB has detailed: relevant, useful, cost-effective, complete and comparable among others. Our comments seek alignment with these criteria, and are summarized below.

Energy Management & Fleet Fuel Consumption

Understandably, energy management and fleet fuel consumption are material for non-alcoholic beverages. However, BIER is inquiring how greenhouse gases could be material for one part of the industry (alcoholic beverage) and not material for another (non-alcoholic beverages). BIER has already established reporting guidance for the beverage industry, and greenhouse gases are included. Please refer to the BIER website for the [Beverage Industry Sector Guidance for Greenhouse Gas Emissions Reporting](#) for additional information.

CN201-01

.01: BIER would like to inquire about the choice of disclosing “energy consumption from all sources” and not a measure of normalized emissions as well. A normalized metric would measure efficiency, and would allow for comparison of values from year to year. BIER has undertaken an effort to define a “liter of beverage” to be used as a denominator in a normalization technique, which is described in the [Practical Perspective on Water Accounting in the Beverage Sector](#) on page 6.

.04: Companies in the beverage industry are not yet fully disclosing against the new Greenhouse Gas Protocol Scope 2 standard, published in January 2015 so the information requested in CN0202-03.16 may not be disclosed for all companies in the near-term while the information gathering mechanisms are developed.

.04: It has become a regular, if not common, practice to convey RECs to a 3rd party as part of a power purchase agreement (PPA). BIER questions whether the requirements listed in the SASB standards will stifle additional renewable energy PPAs with the included REC requirements, if there is no perceived benefit to the initiating company. BIER would recommend reconsidering this language to revisit the type of behavior that would be driven through this requirement.

Water Management

CN0201-03

.13: Water withdrawal must be defined to ensure comparability. Where does withdrawal begin?

.13: Similar to our comments for CN0201-01, BIER inquires about the use of absolute value disclosure alone, such as total fresh water withdrawn, when a normalized metric would demonstrate efficiency. Please again refer to the [*Practical Perspective on Water Accounting in the Beverage Sector*](#) for a description of how to normalize per liter of beverage.

.14: Recycling is a challenge to measure, because sub-metering is not prevalent, which is not in line with the cost-effective or comparable criteria. The recycling definition used here, documenting multiple reuses, is especially hard to calculate without submeters, or when water is provided for beneficial use beyond the property boundary (e.g. to the community following treatment).

.15: Why is the WRI Water Risk Atlas tool the only tool allowed for evaluating water stress? Many beverage companies have been evaluating water risk for years and are leaders in this space. Several helped to develop the Water Risk Atlas tool, but others have helped to develop other publicly available tools, or utilize internally developed tools to evaluate risk specific to their company. Companies utilizing a different tool should not be made to conduct additional work to conform to one single tool if the results are essentially aligned, when the methodology could be detailed prior to designating the level of water stress.

Health & Nutrition

BIER questions the value that SASB (and investors) will derive from this section as designed. The quality of the responses to the questions as written will vary such that they will not be comparable for peer companies within the beverage industry. Please see our detailed notes below.

CN0201-05

.23: What is the intention for use of these revenue figures? Is the intention of the revenues to provide percentages of total revenues that are low- and no-calorie within a responding company? Is the intention to compare across peer companies? If so, the categories should be mutually-exclusive to allow for comparison.

Product Labeling & Marketing

CN-0201.07

.32: Impressions in total is not a helpful metric, as it is easily misunderstood. How should impressions be counted? For example, if a tweet is published about a beverage, do you count all followers, or only a subset? Each company will have a different methodology for determining impressions (as SASB has designated through .33 and .34), but the value of import is .35 – the percentage of impressions on children, not item .32.

CN-0201-08

BIER would recommend revisiting this requirement. What is the value presented to readers through this question? Since GMO labeling is not uniformly required around the world, any percentage reported in .37 will be a subset of the overall portfolio. Since the question is directly tied to the portion that is labeled, which is generally a smaller subset than is not-labeled, there is the potential for misinterpretation of any value reported as representing the entirety of the portfolio.

Packaging Lifecycle Management

BIER would recommend a revisit to this section, with the perspective of asking questions intending to drive beneficial behavior, specifically behavior toward the lowest overall emissions. Trade-offs should be evaluated as part of these questions so readers have the full perspective – see CDP’s Food, Beverage, and Tobacco Module for questions relating to knock-on effects of packaging choices.

CN0201-11

.47: As written, BIER questions the value the reader will derive from this question. There are so many kinds of packages that total weight will not be comparable across companies unless the more detailed information is known as well. If this question remains, BIER would recommend subsets of the most material categories (e.g. paper, aluminum, glass) rather than a total of all package materials. This would result in a more comparable metric.

.51: Compostable as a recommended solution or an intended outcome (to increase compostable materials) has its own problems, if composting is recommended as an alternative to recycling. Composting generates significant methane and N2O emissions, and while increasing composting when compared to landfilling may be desirable, increasing composting at the expense of recycling is not. In addition, composting has the ability to contaminate the material source stream, resulting in more waste, rather than less, if the materials could have been recycled.

Environmental & Social Impacts of Ingredient Supply Chains

CN0201-13

.56 and .57: Evaluating ingredients, particularly commodity ingredients, for sourcing in water stressed areas is impossible with today’s commodity markets. Consider revision of these questions to account for owned or tier I suppliers, not all 3rd party, where identification can be completed for the regions of sourced ingredients.

CN0201-15

BIER would recommend utilizing questions from The Sustainability Consortium, where ingredient environmental and social considerations have been evaluated and KPIs developed. As written, SASB has increased the reporting burden to companies by asking different questions covering the same topics as an existing questionnaire.

Thank you for the opportunity to provide input. As an industry group with many members that these standards impact, BIER welcomes the opportunity to discuss this response with SASB, and to brainstorm potential solutions to the issues raised. BIER and BIER members are not opposed to transparency or disclosure, but we actively seek opportunities to align disclosure requests to reduce the burden of reporting.

Kind regards,

A handwritten signature in black ink, enclosed in a red rectangular box. The signature reads "Anna Blitz" in a cursive, slightly stylized font.

Anna Blitz
Stakeholder Engagement

A handwritten signature in black ink, enclosed in a red rectangular box. The signature reads "Tod D. Christenson" in a cursive, slightly stylized font.

Tod Christenson
Director, BIER



TO: SASB Consumption I Review Panel
CC: Andy Battjes
Suzette Carty
Rob Frederick

DATE: April 10, 2015

SUBJECT: Comments to Consumption I Sector: Alcoholic Beverages

FROM: Jennifer O'Neil

Please find below consolidated comments from Brown-Forman regarding the Consumption I Sector Alcoholic Beverages draft standards. We have tried to organize these per your requested categories, but in some cases they may overlap into two or more categories, or simply need some word or definition clarification.

General Feedback:

1. Page 4, Guidance on Accounting of Material Sustainability Topics:

Comments: Language should clarify/state SASB standards are aligned with common reporting protocols and metrics (i.e. CDP, GRI G4), and that flexibility is provided to allow companies to report metrics in a way that is most meaningful for their operations. If a company is following G4 guidelines, this would include a materiality assessment to identify items significant to a reasonable investor and/or stakeholder. The SASB metrics should also allow investors to understand the management systems that a company has put in place and the improvements that have been made. Investors should get a sense that the company's management has a clear understanding of material sustainability issues, and are taking actions to address any risks or take advantage of any opportunities. These metrics will not be appropriate for comparing one company to another, even within the same industry. For example, metrics like GHG can be dependent on the size of a company's operations, while water use requires context based on the local watersheds where water is used.

2. Page 4, Guidance on Accounting of Material Sustainability Topics:

Text: "Data for the registrant's last three completed fiscal years (when available)."

Suggested edit: “Data for the registrant’s last three completed fiscal or calendar years (when available.”

Reasoning: For regulatory and compliance reasons, many environmental reporting protocols are calendar year based. Recalculating data for our fiscal year would present both time and cost-effectiveness issues

3. Page 6, Reporting Format, Activity Metrics table

Comments:

- Please define liters – is this normalized or physical?
- Clarification and link to other accounting metrics is needed.

Accounting Metrics Comments:

Disclosure Topic: Greenhouse Gas Emissions, Description section

Comment: Suggest deleting “cogenerating” and change to “...as a result of combustion of fossil fuel sources.”

Reasoning: Improves accounting metrics. Cogenerating is a specific term that’s not always applicable.

Disclosure Topic: Greenhouse Gas Emissions

Accounting metric code: CN0202-01.

Line of disclosure: .03

Comment: The current recommendation is to align with The Financial Control approach. Our suggestion is to also allow for reporting under the Operational Control approach per the GHG Protocol.

Reasoning: Improves accounting metrics, time/cost effectiveness

Disclosure Topic: Energy Management

Accounting metric code: CN0202-03.

Line of disclosure: .13

Comment: Suggest including (rather than excluding) fuel consumption by fleet vehicles if they are owned vehicles.

Reasoning: Improves accounting metrics

Disclosure Topic: Energy Management

Accounting metric code: CN0202-03.

Line of disclosure: .16

Comment: Is this aligned with the amendment to the GHG Protocol Scope 2 Guidance?

Reasoning: Improves accounting metrics

Disclosure Topic: Energy Management

Accounting metric code: CN0202-03.

Line of disclosure: .17

Comment: Is this aligned with the amendment to the GHG Protocol Scope 2 Guidance?

Reasoning: Improves accounting metrics

Disclosure Topic: Water Management

Accounting metric code: CN0202-04.

Line of disclosure: N/A

Comment: Suggest changing “water withdrawn” to “water consumed”

Reasoning: Improves accounting metrics, amount withdrawn does not equal amount consumed vs. diverted.

Disclosure Topic: Water Management

Accounting metric code: CN0202-03.

Line of disclosure: .19

Comment: Suggest removing this metric.

Reasoning: Improves accounting metrics. Our recycled numbers by this definition would be greater than our water consumed data, which could cause confusion.

Disclosure Topic: Responsible Drinking & Marketing

Accounting metric code: CN0202-05.

Line of disclosure: .22

Comment: Suggest removing the metric for total number of advertising impressions made.

Reasoning: Total number of advertising impressions made may not be material to most investors. What is material is the percent of impressions that were made on audiences of legal drinking age, in compliance with industry standards.

Disclosure Topic: Responsible Drinking & Marketing

Accounting metric code: CN0202-07.

Line of disclosure: .30-.33

Comment: Suggest removing this metric for amount of legal and regulatory fines and settlements.

Reasoning: Not likely to be material (or comparable between companies) to the reasonable investor.

Disclosure Topic: Packaging Lifecycle Management

Accounting metric code: CN0202-09.

Line of disclosure: N/A

Comment: Suggest removing “compostable” from this metric.

Reasoning: Cost effectiveness issue in trying to separate compostable from recyclable.

If you have any questions or need clarification on our comments, I can be reached at (502) 774-7439, or via email at jenifer_oneil@b-f.com.

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14th April 2015

RE: Consumption I Accounting Standards Consultation Submission

Dear Andrew,

We are grateful for the opportunity to formally respond to the SASB consultation on the set of Consumption I accounting standards. Our detailed comments on the seven standards are enclosed in this letter.

Please do not hesitate to contact me if you require any further information or would like to discuss CDP's comments. We would be happy to review a revised version of these standards at a later date if this would be useful.

Kind regards,

Maia Kutner

Director, Technical Reporting

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General comments

1. The selection of metrics in the standards seems to be particularly suited for companies operating in these industries in the United States, and sometimes less so for companies operating in other geographies. Given the potential global reach of the standards once published, we wonder whether this focus should be explicitly stated in each one of the standards. Naturally the location of companies' operations has an impact on the issues that are material to them. For example, in certain geographies agricultural producers are directly responsible for degradation and clearing of forests, but for companies in the United States deforestation is mostly a supply chain risk.
2. We suggest SASB considers including the following:
 - a) The disclosure topics of **Greenhouse Gas Emissions** and **Energy Management** in all seven industry accounting standards. Companies are already reporting this information to their investors and customers through CDP and to other stakeholders through CSR reports. Many are verifying emissions and energy data already. Therefore the additional cost of reporting this information in regulatory filings should not be significant.
 - b) The option of reporting Scope 3 emissions for key sources, and targets to reduce these emissions, where applicable. In the case of these industries, the most relevant sources of Scope 3 emissions would be covered by the following Scope 3 categories: "Purchased goods and services", "Processing of sold products", "Upstream transportation and distribution", and "Downstream transportation and distribution". Further information on Scope 3 emissions can be found in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard: <http://www.ghgprotocol.org/standards/scope-3-standard>

Industry Standard: Agricultural Products

Disclosure Topic: **Greenhouse Gas Emissions**

Accounting metric code: **CN0101-01**

General comment: We suggest including the option of reporting Scope 3 emissions. For these industries emissions pertaining specifically to the Scope 3 categories of “Purchased goods and services”, “Processing of sold products”, “Upstream transportation and distribution”, and “Downstream transportation and distribution” can be significant.

Line of disclosure: **.01**

1. Comment: At the moment there are seven Greenhouse gases required by the UNFCCC/Kyoto Protocol. As per the amendment issued to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) in May 2013, Nitrogen trifluoride (NF3) should be included in corporate inventories as a seventh Greenhouse gas. This amendment to the standard is available online: http://www.ghgprotocol.org/files/ghgp/NF3-Amendment_052213.pdf
2. *“To date, the preferred source for GWP factors is the Intergovernmental Panel on Climate Change (IPCC) Second Assessment Report (1995).”* Comment: The current recommendation by the GHG Protocol, reflected in CDP’s 2015 climate change reporting guidance document, is that companies use 100-year GWP values from the IPCC from the most recent Assessment Report, although companies may choose to use other IPCC Assessment Reports. This amendment to the standard is available online: http://www.ghgprotocol.org/files/ghgp/NF3-Amendment_052213.pdf
3. *“Disclosure corresponds to section CC8.2 of the Carbon Disclosure Project (CDP) Questionnaire”.* Comment: We welcome the cross references to CDP’s climate change questionnaire. CDP has changed its name from the Carbon Disclosure Project to CDP, and has been producing several questionnaires each year. We therefore recommend that you refer to “CC8.2 of the CDP Climate Change Questionnaire”.

Line of disclosure: **.02**

1. Comment: We suggest to add a reference to the GHG Protocol Agriculture Guidance, published in May 2014. This guidance is available on the GHG Protocol’s website: <http://www.ghgprotocol.org/standards/agriculture-guidance>
2. *“These emissions include direct emissions of GHGs from stationary or mobile sources that include, but are not limited to, equipment, production facilities, office buildings, and transportation (i.e., marine, road, or rail).”*

Comment: These general examples are not the most relevant to the industry. In agriculture, Scope 1 emissions include emissions from non-mechanical sources such as enteric fermentation, soils, manure management, land use change and waste management, as well as emissions from mechanical sources such as stationary equipment or mobile machinery (excluding purchased electricity). Additional examples are available in CDP's guidance for Food, Beverage and Tobacco (FBT) companies and the GHG Protocol Agriculture Guidance referenced above. CDP's guidance for FBT companies is available online: CDP's 2015 climate change reporting guidance is available online: <https://www.cdp.net/en-US/Pages/guidance-climate-change.aspx>

Accounting metric code: **CN0101-02**

Line of disclosure: **.03**

Comment: We acknowledge and welcome the cross references to CDP's climate change reporting guidance from 2013 and suggest they are clarified to refer to the most up to date version of the guidance document from 2015. CDP's 2015 climate change reporting guidance is available online: <https://www.cdp.net/en-US/Pages/guidance-climate-change.aspx>

Line of disclosure: **.09**

"The mechanism(s) for achieving the target, such as energy efficiency efforts, energy source diversification, carbon capture and storage, etc.". Comment: These examples are not the most applicable to the sector, and in most cases energy efficiency measures would impact the organization's Scope 2 emissions, not their Scope 1 emissions. Examples of measures to reduce direct emission in agriculture are provided in the GHG Protocol Agriculture Guidance referenced above.

Disclosure Topic: **Water Withdrawal**

Accounting metric code: **CN0101-04**

General comments:

1. Why is consumption not included as a metric for this industry? Water is consumed in growing of food also. Estimates of consumption can be derived from the irrigation methods applied or through the metering of processing facilities. It would be useful to have an estimate of water efficiency other than recycling volumes.

Consumption could be represented as a total volume or through the percentage change annually or progress against a water efficiency target. When this metric is connected to business units, geographies and/or water sources, it can be a useful indication of risk and environmental impact.

We would recommend re-considering whether the recycling metric as a volume in CN0101-04 will add value as water efficiency information as opposed to a percentage change/progress against a water efficiency target in line of my comments on consumption. At CDP we ask for the volume and trend change in consumption annually because it helps to understand the losses to the environment (see W1.2c in CDP 2015 water questionnaire). We ask companies to report their progress against recycling targets to demonstrate how this consumption change might have happened.

We removed our water accounting recycling metric from our 2015 questionnaire as it was creating confusion. Many companies were unsure what recycling volume to report because the water was often counted in multiple processes. What was important was that companies were demonstrating that they were using recycling to reduce their impact so instead we asked companies to report recycling targets and progress against them. We felt that consumption was a better metric to report as a volume/percentage change. It got to the nub of what we were trying to understand i.e. whether companies are trying to reduce their impact on the water environment.

We would recommend that SASB include a similar metric to CN0201-04 in this 'Water Withdrawal' disclosure topic to capture information on consumption and its associated risks and mitigation strategies.

2. Why is this disclosure topic 'Water withdrawal' and not 'Water Management' as in CN0103_Processed-Foods_PCP2 and CN0201_Non-Alcoholic-Beverages_PCP1 for example? If there is a reason it might be clearer to make this explicit. Some companies may be vertically integrated and their reporting will cross several food related industries as defined by SASB. We would recommend that disclosure topic titles are kept as consistent as possible especially when the metric content does not change (or there is no explicit reason to do so).
3. Accounting metric code: **CN0101-04**

Line of disclosure: **.19**

Comment: In addition to understanding if withdrawals are from regions of high or extremely high baseline water stress, it would be useful to know where the water withdrawal was originally sourced from e.g. fresh surface water, groundwater (renewable or non-renewable if known), rainwater, municipal water etc. which gives a better indication of possible risk and users of the data will be able to research the status of these sources for local geographies of interest.

Disclosure topic: **Land Use & Ecological Impacts**

1. Accounting metric code: **CN0101-06**

Line of disclosure: **.31**

“Violations, regardless of their measurement methodology or frequency, shall be disclosed. These include:

- For continuous discharges, limitations, standards, and prohibitions that are generally expressed as maximum daily, weekly average, and monthly averages.*
- For non-continuous discharges, limitations that are generally expressed in terms of frequency, total mass, maximum rate of discharge, and mass or concentrations of specified pollutants. “*

Comment: We are not sure if the second bullet point is asking for frequency of violation in direct contrast to ‘Violations, regardless of their measurement methodology or frequency, shall be disclosed’. The wording is confusing. We would recommend knowing the frequency of violation in a reporting year as a good indication of management/governance processes in place to prevent environmental impact.

2. Accounting metric code: **CN0101-07.**

General comment: For companies that produce agricultural commodities in certain the impacts of producing those material fall within the realm of their direct operation rather than their supply chain. Certification is framed in this metric as a supply chain issue but for some companies that are producing these raw material this pertains to their own operations. Companies that produce material that are associated with deforestation - such as palm oil and soy- take measures to certify the materials they produce. This metric, in its current format, could be applicable in this case but is misplaced within the supply chain topic. It is worth considering how a company in this position should report this information.

Line of disclosure: **.35**

Comment: It would also be useful to know where wastewater is being discharged e.g. fresh surface water, groundwater, wastewater treatment plant etc. to understand potential environmental impact/recharge of water to local environment.

Disclosure topic: **Fair Labor Practices & Workforce Health & Safety**

Comment: We would recommend providing a metric for facilities providing adequate water and sanitation and hygiene (WASH) for employees. This is particularly relevant for agricultural practices that often employ low paid workers in developing nations. This may be difficult to assess for companies hiring employees/suppliers with field workers but for factories/processing this should definitely be considered for inclusion. See <http://ceowatermandate.org/files/business-hrws-guidance.pdf> for guidance. CDP use the metric recommended by the CEO Water Mandate corporate water disclosure guidelines 'Facilities providing fully-functioning WASH services to all workers'.

Disclosure topic: **Environmental & Social Impacts of Ingredient Supply Chains**

Accounting metric code: **CN0101-16 Percentage of agricultural raw materials sourced from regions with High or Extremely High Baseline Water Stress**

Line of disclosure: N/A

Comment: We would recommend to also include a metric of the percentage of suppliers that companies request to report on their water use, risks and/or management by percentage of procurement spend (see CDP question W1.3a). This could be linked to information from metric CN0101-18 where they discuss their management strategy. This would give an understanding of the level of supplier engagement and what information underpins their management strategy.

Industry Standard: Meat, Poultry, and Dairy

Disclosure Topic: **Greenhouse Gas Emissions**

Accounting metric code: **CN0102-01**

See comments above about Accounting metric code **CN0101-01**, which are all applicable to this metric.

Disclosure topic: **Water Withdrawal**

Accounting metric code: **CN0102-04**

General comments:

1. Why is consumption not included for this industry? Water is consumed in the production of meat, poultry and dairy also. Estimates of consumption can be achieved at a minimum through the metering of processing facilities. It would be useful to have an estimate of water efficiency other than recycling volumes. Consumption could be represented as a total volume or through the percentage change annually or as progress against a water efficiency target. This metric when associated with business units, geographies and/or water sources, it can be a useful indication of risk and environmental impact.

We would recommend re-thinking whether the recycling metric as a volume in CN0102-04 will add value as water efficiency information as opposed to a percentage change/progress against a water efficiency target in line of my comments on consumption. At CDP we ask for the volume and trend change in consumption annually because it helps to understand the losses to the environment (see W1.2c in CDP 2015 water questionnaire). We ask companies to report their progress against recycling targets to demonstrate how this consumption change might have happened.

We removed our water accounting recycling metric from our 2015 questionnaire as it was creating confusion. Many companies were unsure what recycling volume to report because the water was often counted in multiple processes. What was important was that companies were demonstrating that they were using recycling to reduce their impact so instead we asked companies to report recycling targets and progress against them. We felt that consumption was a better metric to report as a volume/percentage change. It got to the nub of what we were trying to understand i.e. whether companies are trying to reduce their impact on the water environment.

We would recommend that SASB include a similar metric to CN0201-04 in this 'Water Withdrawal' disclosure topic to capture information on consumption and its associated risks and mitigation strategies.

2. Why is this disclosure topic 'Water withdrawal' and not 'Water Management' as in CN0103_Processed-Foods_PCP2 and CN0201_Non-Alcoholic-Beverages_PCP1 for example? If there is a reason it should be made more explicit. Some companies may be vertically integrated and their reporting will cross several food related industries as defined by SASB. We would recommend that disclosure topic titles are kept as consistent as possible especially when the metric content doesn't change (or there is no explicit reason to do so).

Accounting metric code: **CN0102-04**

Line of disclosure: **.21**

Comment: In addition to understanding if withdrawals are from regions of high or extremely high baseline water stress, it would be useful to know where the water withdrawal was originally sourced from e.g. fresh surface water, groundwater (renewable or non-renewable if known), rainwater, municipal water etc. which gives a better indication of possible risk and users of the data will be able to research the status of these sources for local geographies of interest.

Disclosure topic: **Land Use & Animal Waste Management**

1. Accounting metric code: **CN0102-05**

Line of disclosure: **.27**

"Violations, regardless of their measurement methodology or frequency, shall be disclosed. These include:

- *For continuous discharges, limitations, standards, and prohibitions that are generally expressed as maximum daily, weekly average, and monthly averages.*
- *For non-continuous discharges, limitations that are generally expressed in terms of frequency, total mass, maximum rate of discharge, and mass or concentrations of specified pollutants."*

Comment: Again we are not sure if the second bullet point is asking for frequency of violation in direct contrast to 'Violations, regardless of their measurement methodology or frequency, shall be disclosed'. The wording is confusing. We would recommend knowing the frequency of violation in a reporting year as a good indication of management/governance processes in place to prevent environmental impact.

2. Accounting metric code: **CN0102-06.**

Line of disclosure: **.31**

Comment: Why is Volume of wastewater generated, percentage (1) reused and (2) discharged to environment (CN0101-07) not asked for in this disclosure topic? The metrics in this disclosure topic appear to be focussed on farm level activities however the guidance is also meant to be for processing and manufacturing facilities (see page 6 Activity Metrics in CN0102_Mean-Poultry-Dair_PCP1).

If the volume of wastewater generated is included then it would also be useful to know where wastewater is being discharged to e.g. fresh surface water, groundwater, wastewater treatment plant etc. to understand potential environmental impact/recharge of water to local environment. This would be especially relevant if operating in area of water stress would be useful to see how much is going back to the local environment of good quality.

Disclosure topic: **Workforce Health & Safety**

Comment: We would recommend providing a metric for facilities providing adequate water and sanitation and hygiene (WASH) for employees. This is particularly relevant for processing activities that often employ low paid workers in developing nations. This may be difficult to assess for companies hiring employees/suppliers with field workers but for factories/processing this should definitely be considered for inclusion. See <http://ceowatermandate.org/files/business-hrws-guidance.pdf> for guidance. CDP use the metric recommended by the CEO Water Mandate corporate water disclosure guidelines 'Facilities providing fully-functioning WASH services to all workers'.

Disclosure topic **Climate Change Impacts on Livestock Production & Feed Sourcing**

Accounting metric: **CN0102-18**

Line of disclosure: **.81**

Comment: We would recommend changing 'availability of water' to 'availability of good quality water' as the quality will also impact on this industry as they are working with food safety standards and livestock. Climate change may reduce water quality through greater lack of freshwater for mixing purposes, algal blooms that would mean greater treatment costs as well as access to water. Being more explicit prompts companies to think through all possible water scenarios in our experience.

Disclosure topic: **Environmental & Social Impacts of Animal & Feed Supply Chains**

Accounting metric code: **CN0102-21**

Line of disclosure: N/A

Comment: would also include a metric of percentage of supplier companies request to report on their water use, risks and/or management by percentage procurement spend (see CDP question W1.3a). This could be link to CN0102-18 discussion of management strategy. Gives an idea of engagement and what information underpins their management strategy.

Accounting metric code: **CN0102-22**

Line of disclosure N/A

Comment: The percentage of total procurement spend spent on feed sourced from water stressed areas would also be useful to demonstrate how dependent livestock producers are on water stressed regions overall

Industry Standard: Processed Foods

Disclosure topic: **Water Management**

Accounting metric code: **CN0103-05**

General comments:

1. Why is consumption not included for this industry? Water is consumed in the production and processing of food products. Estimates of consumption can be achieved at a minimum through the metering of processing facilities. It would be useful to have an estimate of water efficiency other than recycling volumes. Consumption could be represented as a total volume or through the percentage change annually or as progress against a water efficiency target. This metric when associated with business units, geographies and/or water sources, it can be a useful indication of risk and environmental impact.

We would recommend re-thinking whether the recycling metric as a volume in CN0103-05 will add value as water efficiency information as opposed to a percentage change/progress against a water efficiency target in line of my comments on consumption. At CDP we ask for the volume and trend change in consumption annually because it helps to understand the losses to the environment (see W1.2c in CDP 2015 water questionnaire). We ask companies to report their progress against recycling targets to demonstrate how this consumption change might have happened.

We removed our water accounting recycling metric from our 2015 questionnaire as it was creating confusion. Many companies were unsure what recycling volume to report because the water was often counted in multiple processes. What was important was that companies were demonstrating that they were using recycling to reduce their impact so instead we asked companies to report recycling targets and progress against them. We felt that consumption was a better metric to report as a volume/percentage change. It got to the nub of what we were trying to understand i.e. whether companies are trying to reduce their impact on the water environment.

We would recommend that SASB include a similar metric to CN0201-04 in this 'Water Management' disclosure topic to capture information on consumption and its associated risks and mitigation strategies.

2. Why are water quantity and quality (compliance) combined into one disclosure topic for this industry but not for Agricultural Products or Meat-Poultry-Dairy. If there is a reason it should be made more explicit.

Accounting metric code: **CN0103-05**

Line of disclosure: **.21**

Comment: In addition to understanding if withdrawals are from regions of high or extremely high baseline water stress, it would be useful to know where the water withdrawal was originally sourced from e.g. fresh surface water, groundwater (renewable or non-renewable if known), rainwater, municipal water etc. which gives a better indication of possible risk and users of the data will be able to research the status of these sources for local geographies of interest.

Accounting metric code: **CN0103-06**

Line of disclosure: **.30** *“The scope of disclosure includes incidents related to statutory permits and regulations as well as voluntary agreements, standards and guidelines, such as total maximum daily load (TMDL) **and/or groundwater withdrawal exceedances.**”*

In Meat-Poultry-Dairy document CN102-05 line.24 states ‘*The scope of disclosure includes incidents related to statutory permits and regulations or voluntary agreements, standards, or guidelines such as total maximum daily load (TMDL) exceedances.*’ (This is also the same in Agricultural Products). There is no mention of groundwater and we wonder why this is the case. A groundwater withdrawal could be used for livestock watering/processing or growing crops. This is inconsistent so we recommend that CN103-06 Line.30 is repeated for all three industries and that ‘groundwater withdrawal exceedances’ be broadened to ‘water withdrawal exceedances’ to cover all water withdrawal sources including fresh surface water, brackish water, groundwater etc.

Line of disclosure: **.32**

Comment: Why is Volume of wastewater generated, percentage (1) reused and (2) discharged to environment (CN0101-07) not asked for as a separate metric in this disclosure topic? The metric given is very general asking for ‘voluntary quantity standards among others...alignment with the UN CEO Water Mandate, and the EPA’s WaterSense program’. Also why are these standards not mentioned in CN101_Agricultural Products and CN102_Meat-Poultry-Dairy?

If the volume of wastewater generated is included then it would also be useful to know where wastewater is being discharged to e.g. fresh surface water, groundwater, wastewater treatment plant etc. to understand potential environmental impact/recharge of water to local environment. This would be especially relevant if operating in area of water stress would be useful to see how much is going back to the local environment of good quality.

Line of disclosure: **.34**

“Violations, regardless of their measurement methodology or frequency, shall be disclosed. These include:

- *For continuous discharges, limitations, standards, and prohibitions that are generally expressed as maximum daily, weekly average, and monthly averages.*
- *For non-continuous discharges, limitations that are generally expressed in terms of frequency, total mass, maximum rate of discharge, and mass or concentrations of specified pollutants. “*

Comment: We are not sure if the second bullet point is asking for frequency of violation in direct contrast to ‘Violations, regardless of their measurement methodology or frequency, shall be disclosed’. The wording is confusing so we would recommend knowing the frequency of violation in a reporting year as a good indication of management/governance processes in place to prevent environmental impact.

Disclosure topic: **Workforce Health & Safety**

Why no Workforce Health & Safety disclosure topic for this industry?

Comment: We would recommend providing a metric for facilities providing adequate water and sanitation and hygiene (WASH) for employees. This is particularly relevant for processing activities that often employ low paid workers in developing nations. This may be difficult to assess for companies hiring employees/suppliers with field workers but for factories/processing this should definitely be considered for inclusion. See <http://ceowatermandate.org/files/business-hrws-guidance.pdf> for guidance. CDP use the metric recommended by the CEO Water Mandate corporate water disclosure guidelines ‘Facilities providing fully-functioning WASH services to all workers’.

Disclosure topic: **Environmental & Social Impacts of Ingredient Supply Chains**

Accounting metric code: **CN0103-19**

Line of disclosure: **N/A**

Comment: We would recommend including a metric of percentage of suppliers companies request to report on their water use, risks and/or management by percentage procurement spend (see CDP question W1.3a). This could be link to CN103-19. Gives an idea of engagement and what information underpins their management strategy for CN0103-22 lines of disclosure .109, .110, .111.

Accounting metric code: **CN0103-22**

Line of disclosure: **110.**

We would recommend making a reference to climate change explicitly. The impacts of climate change on agricultural supply chains are significant and likely to increase over time. This issue of climate change impacts on agriculture is addressed in the Agricultural Products standard, as well as the Meat, Poultry and Dairy standard. In this standard it fits best within the supply chain section.

Industry Standard: Non-Alcoholic Beverages

General comment: We recommend that SASB includes **Greenhouse Gas Emissions** in the list of topics covered in this standard, and -in addition to the requirement to report Scope 1 emissions- provide the option to report Scope 3 emissions. See the general comment on page 2 of this document.

Disclosure topic: **Water Management**

Accounting metric code: **CN0201-03**

Line of disclosure: .13

Comment: In addition to understanding if withdrawals are from regions of high or extremely high baseline water stress, it would be useful to know where the water withdrawal was originally sourced from e.g. fresh surface water, groundwater (renewable or non-renewable if known), rainwater, municipal water etc. which gives a better indication of possible risk and users of the data will be able to research the status of these sources for local geographies of interest.

Accounting metric code: **CN0201-04**

Line of disclosure: .18

Comment: Consumption is represented through the percentage change against a water efficiency target and asked to connect this to business units, geographies and/or water sources. This is good but I would recommend re-considering if recycling metric in CN0201-03 will add value to the consumption information.

At CDP we ask for percentage change in consumption because it helps to understand the losses to the environment so the change in this is very useful to know (see W1.2c in CDP 2015 water questionnaire). We ask companies to report their progress against recycling targets to demonstrate how this consumption percentage might have changed but we removed our water accounting recycling metric for our 2015 questionnaire as it was creating confusion. Many companies were unsure what recycling volume to report because the water was often counted in multiple processes. What was important was that companies were demonstrating that they were using recycling to reduce their impact so instead we asked companies to report recycling targets and progress against them. We felt that consumption was a better metric to report as a volume/percentage change. It got to the nub of what we were trying to understand i.e. an indication of the impact on the water environment.

Comment: Why is compliance not mentioned in this topic in a similar way to CN0103-06 for CN0103_Processed-Foods_PCP2? We would recommend that compliance metrics are also included for water for this industry.

Comment: Why is 'Volume of wastewater generated, percentage (1) reused and (2) discharged to environment' metric not included under the Water Management disclosure topic for this industry but covered under CN0102_Meat-Poultry-Dairy_PCP1 and CN0101_Agricultural-Products_PCP1 under Land & Animal Waste management etc. It would also be useful to know where wastewater was discharged e.g. fresh surface water, groundwater, wastewater treatment plant etc. to understand potential environmental impact/recharge of water to local environment.

Disclosure topic: **Workforce Health & Safety**

Why no Workforce Health & Safety disclosure topic for this sub-industry/sector?

Comment: We would recommend providing a metric for facilities providing adequate water and sanitation and hygiene (WASH) for employees. This is particularly relevant for processing activities that often employ low paid workers in developing nations. This may be difficult to assess for companies hiring employees/suppliers with field workers but for factories/processing this should definitely be considered for inclusion. See <http://ceowatermandate.org/files/business-hrws-guidance.pdf> for guidance. CDP use the metric recommended by the CEO Water Mandate corporate water disclosure guidelines 'Facilities providing fully-functioning WASH services to all workers'.

Disclosure topic: **Environmental & Social Impacts of Ingredient Supply Chains**

Accounting metric code: **CN201-13**

Line of disclosure: N/A

Comment: We would recommend including a metric of percentage of suppliers companies request to report on their water use, risks and/or management by percentage procurement spend (see CDP question W1.3a). This could be linked to metrics in CN201-13. It will also give an idea of engagement and what information underpins their management strategy for CN0201-15 line of disclosure .69

Accounting metric code: **CN201-15**

Line of disclosure: **.71**

We would recommend making a reference to climate change explicitly. The impacts of climate change on agricultural supply chains are significant and likely to increase over time. This issue of climate change impacts on agriculture is addressed in the Agricultural Products standard, as well as the Meat, Poultry and Dairy standard. In this standard it fits best within the supply chain section.

Industry Standard: Alcoholic Beverages

Disclosure Topic: **Greenhouse Gas Emissions**

Accounting metric code: **CN0202-01**

See comments above about Accounting metric code **CN0101-01**, which are all applicable to this metric.

Disclosure topic: **Water Management**

Accounting metric code: **CN0201-04**

Line of disclosure: N/A

General comments:

1. Why is consumption not included for this industry? Water is consumed in the production and processing of alcoholic beverages. Estimates of consumption can be achieved at a minimum through the metering of processing facilities. It would be useful to have an estimate of water efficiency other than recycling volumes. Consumption could be represented as a total volume or through the percentage change annually or as progress against a water efficiency target. This metric when associated with business units, geographies and/or water sources, it can be a useful indication of risk and environmental impact.

We would recommend re-thinking whether the recycling metric as a volume in CN0202-04 will add value as water efficiency information as opposed to a percentage change/progress against a water efficiency target in line of my comments on consumption. At CDP we ask for the volume and trend change in consumption annually because it helps to understand the losses to the environment (see W1.2c in CDP 2015 water questionnaire). We ask companies to report their progress against recycling targets to demonstrate how this consumption change might have happened.

We removed our water accounting recycling metric from our 2015 questionnaire as it was creating confusion. Many companies were unsure what recycling volume to report because the water was often counted in multiple processes. What was important was that companies were demonstrating that they were using recycling to reduce their impact so instead we asked companies to report recycling targets and progress against them. We felt that consumption was a better metric to report as a volume/percentage change. It got to the nub of what we were trying to understand i.e. whether companies are trying to reduce their impact on the water environment.

We would recommend that SASB include a similar metric to CN0201-04 in this 'Water Management' disclosure topic to capture information on consumption and its associated risks and mitigation strategies.

Accounting metric code: **CN0202-04**

Line of disclosure: **.20**

Comment: In addition to understanding if withdrawals are from regions of high or extremely high baseline water stress, it would be useful to know where the water withdrawal was originally sourced from e.g. fresh surface water, groundwater (renewable or non-renewable if known), rainwater, municipal water etc. which gives a better indication of possible risk and users of the data will be able to research the status of these sources for local geographies of interest.

Accounting metric code: **CN0202-04**

Line of disclosure: **N/A**

Comment: Why is compliance not mentioned in this topic in a similar way to CN0103-06 for CN0103_Processed-Foods_PCP2? We would recommend that compliance metrics are also included for water for this industry. Large companies such as Diageo and SABMiller report on water & wastewater compliance in line with CDP and GRI indicators so we would recommend the inclusion of compliance metrics for this industry to demonstrate governance of water issues.

Comment: Why is 'Volume of wastewater generated, percentage (1) reused and (2) discharged to environment' metric not included under the Water Management disclosure topic for this industry but covered under CN0102_Meat-Poultry-Dairy_PCP1 and CN0101_Agricultural-Products_PCP1 under Land & Animal Waste management etc. It would also be useful to know where wastewater was discharged e.g. fresh surface water, groundwater, wastewater treatment plant etc. to understand potential environmental impact/recharge of water to local environment.

Disclosure topic: **Workforce Health & Safety**

Why no Workforce Health & Safety disclosure topic for this sub-industry/sector?

Comment: We would recommend providing a metric for facilities providing adequate water and sanitation and hygiene (WASH) for employees. This is particularly relevant for processing activities that often employ low paid workers in developing nations. This may be difficult to assess for companies hiring employees/suppliers with field workers but for factories/processing this should definitely be considered for inclusion. See <http://ceowatermandate.org/files/business-hrws-guidance.pdf> for guidance. CDP use the

metric recommended by the CEO Water Mandate corporate water disclosure guidelines 'Facilities providing fully-functioning WASH services to all workers'.

Disclosure topic: **Environmental & Social Impacts of Ingredient Supply Chains**

Accounting metric code: **CN202-11**

Line of disclosure: N/A

Comment: We would recommend including a metric of percentage of suppliers companies request to report on their water use, risks and/or management by percentage procurement spend (see CDP question W1.3a). This could be link to CN202-11. Gives an idea of engagement and what information underpins their management strategy for CN0202-12 line of disclosure .53

Accounting metric code: **CN202-12**

Line of disclosure: **.55**

We would recommend making a reference to climate change explicitly. The impacts of climate change on agricultural supply chains are significant and likely to increase over time. This issue of climate change impacts on agriculture is addressed in the Agricultural Products standard, we well as the Meat, Poultry and Dairy standard. In this standard it fits best within the supply chain section

Industry Standard: Tobacco Products

General comment: We recommend that SASB includes **Greenhouse Gas Emissions** and **Energy Management** in the list of topics covered in this standard. Within the emissions topic- in addition to the requirement to report Scope 1 emissions- provide the option to report Scope 3 emissions. See the general comment on page 2 of this document.

Disclosure topic: **Environmental & Social Impacts of Supply Chains**

Accounting metric code: **CN302-05**

Line of disclosure: **.18**

General comments:

The U.S. Tobacco GAP Program includes environmental criteria to safeguard water supplies through responsible farming techniques by growers:

Water Management:

- Safeguard water supplies by:
 - Not mixing or applying agrochemicals near surface water or waterways.
 - Not allowing fertilizers or agrochemicals to enter waterways.
 - Protecting irrigation water sources from contaminations of agrochemicals and fertilizers.
 - Avoiding wastage of water by monitoring water usage.
 - Not allowing fertilized water from greenhouse seedling float production and other sources to contaminate water supplies.
 - Following all State and Federal Environmental Protection Agency labelled requirements.
 - Maintaining buffer area between farmland and environmentally sensitive areas.
 - Strategically placing buffer strips

We would also recommend that SASB ask for companies to state what percentage of suppliers they engage with or collect information on water risks and management of those risks so the data user understands how robust any risk assessment on supplier is (see W1.3 in CDP 2015 water questionnaire) as part of line disclosure .20 and .21 under CN0302-06. (The 80% limit is recognised).

Although this industry is not consider water-intensive in its manufacturing compared to its supply chain, some companies have identified direct water use as important to their processes, especially when located in areas of water stress as this may impact production for market. Competing demands for water in these locations may also impact on their brand reputation with local communities. (See British American Tobacco, Imperial Tobacco and Philip Morris International 2014 water responses on www.cdp.net). We would recommend

that SASB include water management metrics for withdrawals in water stressed regions at a minimum for this industry and ideally consumption and discharge/compliance metrics as proposed for other agricultural dependent industries in the Consumption sector.

Climate change:

We would recommend that SASB ask for companies to report on how they are managing risks from climate change.

Industry Standard: Household Personal Care

General comment: We recommend that SASB includes **Greenhouse Gas Emissions** in the list of topics covered in this standard, and – in addition to the requirement to report Scope 1 emissions- provide the option to report Scope 3 emissions. See the general comment on page 2 of this document.

Disclosure topic: Water Management

Accounting metric code: CN0602-02

Line of disclosure: N/A

General comments:

1. Why is consumption not included for this industry? Water is consumed in the production and processing of household products. Estimates of consumption can be achieved at a minimum through the metering of processing facilities. It would be useful to have an estimate of water efficiency other than recycling volumes. Consumption could be represented as a total volume or through the percentage change annually or as progress against a water efficiency target. This metric when associated with business units, geographies and/or water sources, it can be a useful indication of risk and environmental impact.

I would recommend re-thinking whether the recycling metric as a volume in CN0602-02 will add value as water efficiency information as opposed to a percentage change/progress against a water efficiency target in line of my comments on consumption. At CDP we ask for the volume and trend change in consumption annually because it helps to understand the losses to the environment (see W1.2c in CDP 2015 water questionnaire). We ask companies to report their progress against recycling targets to demonstrate how this consumption change might have happened.

We removed our water accounting recycling metric from our 2015 questionnaire as it was creating confusion. Many companies were unsure what recycling volume to report because the water was often counted in multiple processes. What was important was that companies were demonstrating that they were using recycling to reduce their impact so instead we asked companies to report recycling targets and progress against them. We felt that consumption was a better metric to report as a volume/percentage change. It got to the nub of what we were trying to understand i.e. whether companies are trying to reduce their impact on the water environment.

We would recommend that SASB include a similar metric to CN0201-04 in this 'Water Management' disclosure topic to capture information on consumption and its associated risks and mitigation strategies.

Accounting metric code: **CN0602-02**

Line of disclosure: **.09**

Comment: In addition to understanding if withdrawals are from regions of High or extremely high baseline water stress, it would be useful to know where the water withdrawal was originally sourced from e.g. fresh surface water, groundwater (renewable or non-renewable if known), rainwater, municipal water etc. which gives a better indication of possible risk and users of the data will be able to research the status of these sources for local geographies of interest.

Accounting metric code: **CN0602-02**

Line of disclosure: **N/A**

Comment: Why is compliance not mentioned in this topic in a similar way to CN0103-06 for CN0103_Processed-Foods_PCP2? We would recommend that compliance metrics are also included for water for this industry. Large companies such Colgate-Palmolive and Reckitt Benckiser report on water & wastewater compliance in line with CDP and GRI indicators so we would recommend the inclusion of compliance metrics for this industry to demonstrate governance of water issues.

Comment: Why is 'Volume of wastewater generated, percentage (1) reused and (2) discharged to environment' metric not included under the Water Management disclosure topic for this industry but covered under CN0102_Meat-Poultry-Dairy_PCP1 and CN0101_Agricultural-Products_PCP1? We would recommend that it be included and it would also be useful to know where wastewater was discharged e.g. fresh surface water, groundwater, wastewater treatment plant etc. to understand potential environmental impact/recharge of water to local environment.

Disclosure topic: **Workforce Health & Safety**

Why no Workforce Health & Safety disclosure topic for this sub-industry/sector?

Comment: We would recommend providing a metric for facilities providing adequate water and sanitation and hygiene (WASH) for employees. This is particularly relevant for processing activities that often employ low paid workers in developing nations. This may be difficult to assess for companies hiring employees/suppliers with field workers but for factories/processing this should definitely be considered for inclusion. See <http://ceowatermandate.org/files/business-hrws-guidance.pdf> for guidance. CDP use the

metric recommended by the CEO Water Mandate corporate water disclosure guidelines 'Facilities providing fully-functioning WASH services to all workers'.

Disclosure topic: **Environmental & Social Impacts of Ingredient Supply Chains**

Accounting metric code: **N/A**

Line of disclosure: **N/A**

Comment: Other agricultural commodities are used in the supply chains of this industry (in addition to timber and palm oil) and water is a necessary ingredient for growth/yield of these commodities. We would recommend including a metric of percentage of suppliers companies request to report on their water use, risks and/or management by percentage procurement spend (see CDP question W1.3a) to underpin the robustness of any risk assessment that includes water risks.

Additionally companies in this industry should report on their main commodities in water stressed regions using a similar metric to CN0602-02, line of disclosure .09. (CDP did use this metric in previous water questionnaires but have removed it from the core questionnaire with the intention of including it within more sector specific information requests in future where specific commodities of interest to investors have been identified

April 14th 2015

ClearBridge Investments comments on SASB Exposure Draft Standard – Non-Alcoholic Beverages

COMMENTERS

- Matt Mandel, Consumer Staples Analyst, ClearBridge Investments
- Benedict Buckley, ESG Research Associate, ClearBridge Investments

COMMENTS

- **Industry Standard:** Non-Alcoholic Beverages
- **Disclosure Topic:** Energy Management & Fleet Fuel Consumption
- **Accounting metric code:** CN0201-01
- **Line of disclosure:** N/A
- **Comments:**
 - Accounting Metrics – Absolute numbers for operational energy consumed, reported in Gigajoules is useful, but companies should also be asked to report an energy-intensity metric in order to facilitate comparability.
 - Cost Effectiveness: Cost effectiveness of usage of the accounting metrics would depend on whether the metric was absolute or intensity. Intensity metrics would be more cost effective as would not need to be combined by the analyst to make them comparable among companies.

- **Industry Standard:** Non-Alcoholic Beverages
- **Disclosure Topic:** Energy Management & Fleet Fuel Consumption
- **Accounting metric code:** CN0201-02
- **Line of disclosure:** N/A
- **Comment:**
 - Accounting Metrics – Similar comment to comment for CN0201-01. Absolute numbers for fleet fuel consumed, reported in Gigajoules is useful, but companies should also be asked to report a fuel-intensity metric in order to facilitate comparability.
 - Cost Effectiveness: Cost effectiveness of usage of the accounting metrics would depend on whether the metric was absolute or intensity. Intensity metrics would be more cost effective as would not need to be combined by the analyst to make them comparable among companies.

- **Industry Standard:** Non-Alcoholic Beverages
- **Disclosure Topic:** Water Management
- **Accounting metric code:** CN0201-03
- **Line of disclosure:** N/A
- **Comment:**
 - Accounting Metrics – Similar comment to comment for CN0201-01 and CN0201-02. A water-intensity metric would be most useful for analysts to use in assessing the companies and comparing them to each other.
 - Cost Effectiveness: Cost effectiveness of usage of the accounting metrics would depend on whether the metric was absolute or intensity. Intensity metrics would be more cost effective as would not need to be combined by the analyst to make them comparable among companies.

- **Industry Standard:** Non-Alcoholic Beverages
- **Disclosure Topic:** Health & Nutrition
- **Accounting metric code:** CN0201-05
- **Line of disclosure:** N/A
- **Comment:** Accounting Metrics – A percentage figure (% of total segment revenue) would be useful in addition to the absolute dollar amount.



CRS

center for
resource
solutions

April 14, 2015

Sustainability Accounting Standards Board (SASB)
75 Broadway, Suite 202
San Francisco, CA 94111

Re: Comments of Center for Resource Solutions (CRS) on Public Exposure Draft Standards-Consumption I

To Whom It May Concern:

CRS appreciates this opportunity to comment on the January 2015 Exposure Draft Standards for Public Comment for Consumption I sectors, including Agricultural Products, Processed Foods, Non-Alcoholic Beverages, Alcoholic Beverages, Household & Personal Care Products, and Meat, Poultry, and Dairy.

Background on CRS

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. Since 1997, CRS has been instrumental in the development of landmark state, regional and national renewable energy and climate policies. CRS also administers the Green-e® programs. Green-e Energy is North America's leading independent consumer protection program providing certification and verification for renewable electricity and renewable energy certificates (RECs) in the U.S. voluntary market. In 2013, that program certified the majority of the U.S. voluntary renewable energy market and 89% of retail REC sales. Green-e Climate is a global retail standard for carbon offsets sold in the voluntary carbon market. Green-e Marketplace recognizes and verifies the claims of companies that use certified renewable energy and carbon offsets to reduce their impact. Stakeholder-driven standards supported by rigorous verification audits are a cornerstone of Green-e and enable CRS to provide independent third-party certification of environmental commodity transactions in voluntary markets. The Green-e environmental and consumer standards are overseen by an independent governance board of industry experts, including representatives from environmental nonprofits, consumer advocates, and purchasers. Our standards have been developed and are periodically revised through an open stakeholder process. Green-e program documents, including the standards, contract templates, and the annual verification report, are available at www.green-e.org.

Comments

Comment 1

This comment applies to the following standards, topics, codes, and lines of disclosure:

- Household & Personal Care Products standard, Energy Management, CN0601-01, .04, Footnote 6, pg. 10;
- Agricultural Products standard, Energy Management, CN0101-03, .16, Footnote 13, pg. 14;
- Alcoholic Beverages standard, Energy Management, CN0202-03, .16, Footnote 11, pg. 13;
- Meat, Poultry, and Dairy standard, Energy Management, CN0102-03, .16, Footnote 11, pg. 14;

- Non-alcoholic Beverages standard, Energy Management & Fleet Fuel Consumption, CN0201-01, .04, Footnote 9, pg. 11; and
- Processed Foods standard, Energy Management & Fleet Fuel Consumption, CN0103-04, .16, Footnote 12, pg. 14.

The following footnote should be revised as shown in order to be accurate:

~~“SASB recognizes that RECs reflect the environmental attributes of renewable energy that have been introduced to the grid, and that a premium has been paid by the purchaser of the REC to enable generation of renewable energy beyond any renewable energy already in the grid mix, absent the market for RECs.”~~

RECs do not necessarily enable generation of renewable energy beyond existing renewable energy or beyond a business-as-usual baseline, though they do represent the environmental attributes of renewable energy and are critical to all renewable energy usage claims. For more information, see *The Legal Basis of Renewable Energy Certificates*.¹

Comment 2

This comment applies to the following standards, topics, codes, and lines of disclosure:

- Household & Personal Care Products standard, Energy Management, CN0601-01, .05, pg. 10;
- Agricultural Products standard, Energy Management, CN0101-03, .17, pg. 14;
- Alcoholic Beverages standard, Energy Management, CN0202-03, .17, pg. 13;
- Meat, Poultry, and Dairy standard, Energy Management, CN0102-03, .17, pg. 14;
- Non-alcoholic Beverages standard, Energy Management & Fleet Fuel Consumption, CN0201-01, .05, pg. 11; and
- Processed Foods standard, Energy Management & Fleet Fuel Consumption, CN0103-04, .17, pg. 14.

Please update the version number of the Green-e Energy National Standard from v2.4 to v2.5.

Comment 3

This comment applies to the following standards, topics, codes, and lines of disclosure:

- Household & Personal Care Products standard, Energy Management, CN0601-01, .04-.05;
- Agricultural Products standard, Energy Management, CN0101-03, .16-.17;
- Alcoholic Beverages standard, Energy Management, CN0202-03, .16-.17;
- Meat, Poultry, and Dairy standard, Energy Management, CN0102-03, .16-.17;
- Non-alcoholic Beverages standard, Energy Management & Fleet Fuel Consumption, CN0201-01, .04-.05; and
- Processed Foods standard, Energy Management & Fleet Fuel Consumption, CN0103-04, .16-.17.

We would like to express general support for the language in these sections (apart from the footnote referenced in Comment 1 above), particularly that which emphasizes the importance of REC retention and ownership in all cases for renewable energy usage claims in the United States, as well as references to Green-e certification. Please let us know if we can provide any further support for these requirements as currently written.

¹ Jones, T. (2014) *The Legal Basis of Renewable Energy Certificates*. Center for Resource Solutions. Available online at: http://www.resource-solutions.org/pub_pdfs/The%20Legal%20Basis%20for%20RECs.pdf

Thank you for your consideration of our comments and please contact me with any questions, for more information, to discuss further, or if we can otherwise be of assistance.

Sincerely,

A handwritten signature in black ink, enclosed in a red rectangular box. The signature is stylized and appears to read 'Todd Jones'.

Todd Jones
Senior Manager, Policy and Climate Change Programs



April 14, 2015

SASB
75 Broadway, Suite 202
San Francisco, CA 94111

Re: Consumption I Sector Public Comment

Dear SASB staff,

Please find my comments below regarding Consumption I Sector:

Industry Standard: Non-alcoholic beverages

Disclosure Topic: Whole category

Accounting metric code: NA

Line of disclosure: NA

Comment: Part of our business is roasting/packing (manufacturing) of coffee and the other is distribution of co-manufactured products. If we are responsible for reporting co-manufactured products in addition to our own manufacturing, it would be helpful to get guidance in the "Guidance for Disclosure of Sustainability Topics" section

Industry Standard: Non-alcoholic beverages

Disclosure Topic: Whole category

Accounting metric code: NA

Line of disclosure: NA

Comment: Are all categories weighted equally? If certain material issues (e.g., nutritional) are not material to our business will there be an opportunity to abstain, though it's been declared as material to the sector.

Industry Standard: Non-alcoholic beverages

Disclosure Topic: Whole category

Accounting metric code: NA

Line of disclosure: NA

Comment: In the guidelines, it would be extremely helpful if the SASB standards could be mapped to the GRI and CDP standards of similar nature. This will allow for ease of updating our database.

Industry Standard: Non-alcoholic beverages

Disclosure Topic: Water management

Accounting metric code: CN201-03

Line of disclosure: all

Comment: It will be challenging and potentially costly to separate waste water (sewage) volume to get an accurate metric. We have 120 sites and adding sub-meters may not be reasonable.



Industry Standard: Non-alcoholic beverages

Disclosure Topic: Environmental & Social Impacts of Ingredient Supply Chains

Accounting metric code: CNO201-15

Line of disclosure: .69

Comment: For the scope of disclosure, please clarify the manufacturers' responsibility compared to the traders' responsibility. Most coffee is purchased through several middle men. Does the manufacturer need a clear line of site back to the producer for the supply chain of priority beverage ingredients?

If you have any questions, please don't hesitate to contact me.

Regards,

A handwritten signature in black ink, enclosed in a red rectangular box. The signature appears to read "Sarah Beaubien".

Sarah Beaubien

sbeaubien@farmerbros.com

503.445.9357

April 14, 2015

Dear SASB colleagues,

Thank you for the opportunity to submit comments regarding the draft Sustainability Accounting Standard for meat, poultry, and dairy. Through a multi-stakeholder research, development, and engagement effort, the Innovation Center for U.S. Dairy (IC) has invested years into what many consider to be the most advanced sustainability platform in U.S. agriculture. Our platform has been tested and co-created with producers and processors; to date we have tested on dairy farms encompassing 60,000 cows producing 1.2 billion pounds of milk on 60,000 acres of land in 11 U.S. States. Our work is precompetitive and built on principles of transparency and collaboration. We welcome the opportunity to inform sustainability disclosure and accounting practices, and look forward to further collaboration.

As takeaways from our development process, we suggest SASB prioritize the following:

- When possible, we find it preferable to use metrics based on unit of production output. For instance, the GHG and energy metrics developed by our industry are based on unit milk rather than gross impact (see Appendix). This normalized approach communicates sustainability better than a total sum, which will vary greatly based on size and scope of a company's operations.
- We encourage a lifecycle approach to calculate a consistent, accurate baseline for measuring environmental impacts. This provides a scientifically informed, common benchmark and language to communicate progress.
- Our lifecycle assessment shows that the basis for differences in sustainability performance are the outcomes of management practices, not the size, region, or age of a farm. Sustainability reporting should focus on these outcomes rather than types of production facilities. Therefore we feel the draft accounting metric "Animal protein production from concentrated animal feeding operations (CAFO)" does not inform the sustainability of a production system. We suggest this metric be replaced with outcome-based metrics that measure environmental impacts.
- As an industry located across the U.S., we have worked hard to assure that indicators and metrics do not favor one particular region over another, but rather focus on the appropriate management of the resource for where the company (or dairy farm) is located.
- We are currently finalizing draft indicators and metrics for additional topic areas. Landscape Stewardship and Biodiversity (Farm); Water Quality, Water Quantity, Resource Recovery, and Soil Health (Farm); Social and Economic (Farm); and Resource Recovery and Air Quality (Processor). These indicators and metrics will be presented for public comment in 2015.

To help you understand some of the work conducted by the IC (which is measurement and outcome focused), we have described our approach in an appendix and also suggest you review the following:

- The [Stewardship and Sustainability Guide for U.S. Dairy](#)
- U.S. Dairy Industry [2013 Sustainability Report](#)

It is our belief that there are many exciting opportunities for improvement as our understanding of dairy sustainability grows. We look forward to further collaboration in this process. We hope that you will find these comments and materials useful, and would be happy to answer any questions.

Sincerely,

Chad Frahm
Senior Vice President, Sustainability

Appendix

The Innovation Center for U.S. Dairy Sustainability Framework Development Approach

The *Stewardship and Sustainability Guide for U.S. Dairy: A voluntary framework for tracking and communicating progress* is the first set of sustainability indicators for the entire U.S. dairy industry. Under IC guidance, multi-stakeholder teams developed this leading agricultural dairy initiative to voluntarily measure, track and communicate sustainability. Developed in a pre-competitive environment, it provides an industry-level and stakeholder view of sustainability topics that are relevant to dairy. It includes guidance regarding what to track and communicate – and how to do so at the farm level for energy, greenhouse gas and animal care; and at the plant level for energy, greenhouse gas, water, employee, and community topics.

This resource will undergo regular improvement cycles where additional topics and indicators will be added. Additional topics to be integrated into the *Stewardship and Sustainability Guide for U.S. Dairy* include producer water, socioeconomic, soil health, and biodiversity indicators as well as resource recovery indicators for both producers and processors.

The work and methodologies that have gone into the development of the *Stewardship and Sustainability Guide for U.S. Dairy* have key components distinguish this work and, critically, improve the ability of producers and others in the value chain to participate. They are:

- **Development process and science.** The Guide is based on Life Cycle Assessments (LCAs) located at <http://usdairy.com/Sustainability/Science>. A key LCA, *The Carbon and Water Footprint of U.S. Milk, From Farm to Table*, was published in the International Dairy Journal in the April 2013 issue. The LCAs conducted by the Innovation Center have provided tremendous clarity about the most significant measurement variables. For example, the Carbon and Water LCA for fluid milk identified approximately 20 variables that are responsible for 80 percent of the GHG emissions throughout the dairy value chain.

However, the LCA is just one component of our process. To summarize, the Indicators and Metrics in the Guide were developed by three stakeholder-aligned, inclusive and distinct work teams that included the following:

- **60+** team members from all aspects of dairy supply chain and leading academic and other experts on sustainability topics
 - **35+** conference calls and meetings
 - **100+** research reviews
 - **23** sustainability frameworks reviewed and compared
 - **100+** sustainability indicators reviewed and applied for relevance
 - **18** sets of guiding principles reviewed and adapted
- **Pre-competitive, collaborative and appropriate to the industry.** The work of the development teams was conducted in a pre-competitive environment and encompassed all aspects of the dairy value chain. In total, more than 700 organizations and individuals have participated in the work of the development teams and Sustainability Council. The Sustainability Task Force, which oversaw the work of the development teams, represents NGO stakeholders, academics and additional participants from the dairy industry. The task force ensures the work of the development teams is dairy-appropriate, technically sound, and consistently integrated into the Guide prior to and following consultation by the industry and stakeholders.

- **Stakeholder aligned.** The *Stewardship and Sustainability Guide for U.S. Dairy* has been developed with the support of and input from key stakeholder groups, including leading environmental organizations, academics, animal welfare experts and other sustainability leaders. In late 2012, the Guide was reviewed by the dairy industry. A public comment and review period was conducted in accordance with ISEAL Alliance procedures. More than 2,500 public comments were reviewed while developing this document.
- **Outcome-based and designed for continuous improvement.** Unlike many sustainability initiatives, our approach is not to measure specific practices, which may vary by necessity from operation to operation, but overall outcomes and improvements over time. These outcomes could be the result of numerous management decisions and factors. No “one size fits all” approach to sustainability will work for dairy operations and it is our belief that this approach potentially stifles innovation and may actually reduce sustainability performance over time.

In the U.S. market, The Guide is designed to gain producer participation despite the vast local and regional differences that occur. The effort to support producers as they implement the Guide has been significant: dairy producers have access to educational assistance, a resource handbook as well as measurement calculators and tools. This means producers have the opportunity to use the Guide, identify with the help of the tools which practices create meaningful impacts on the ground and identify opportunities for further improvement and mitigation.

- **Point of procurement focused.** The Guide is structured to capture key sustainability information at the actual point in the supply chain where it can most effectively and accurately be assessed--at the farm, at the cooperative or processing plant, and during transport through to the point of retail sale. Although context and regionally appropriate measurement are critical, we believe the Guide further adds value because it provides "line of sight" into the sustainability performance at each key stage in the supply chain.
- **Voluntary and Locally/Regionally Driven** The Guide was developed and co-created alongside dairy producers. This “bottom-up” approach ensures a higher level of farmer participation and support both for measurement and mitigation. Their guidance during the co-creation process was invaluable: The Indicators and Metrics, along with the tools, were continually fine-tuned to ensure that they were usable and answerable for U.S. dairy farmers.
- **Usable and scalable.** Due to the variability in practices within the dairy value chain, measuring sustainability practices, especially on the farm, requires a significant amount of science and testing to identify those practices that will provide a credible measurement system and that are reflective of the diversity of size, region, soils and watersheds. However, many measurement initiatives differ in what they measure, how they measure it, and how they interpret what they measure. This fragmented approach is a challenge for the dairy value chain and others who will increasingly have to respond to buyer-specific surveys and information requests that require different formats, information points and methodologies. In an attempt to resolve these challenges, the Innovation Center has developed the Farm Smart™ tool which can be used to calculate, measure and support communication of the indicators from the *Stewardship and Sustainability Guide*. This is critical for dairy processors, cooperatives, and customers who want to communicate sustainability performance.
- **Production based.** Our indicators for GHG and energy metrics are based on per unit production, so the scale and scope of many different types of company operations is taken into account.

GHG Metric:

- For (milk) processing: Total GHG emissions (metric tonnes CO₂e) / unit of milk processed.
- For dairy product manufacturing: Total GHG emissions (metric tonnes CO₂e) / unit of output. [Unit of processing or output can include: gallon (milk, ice cream, frozen or other products), pound of product (cheese, butter, etc.) or kg of milk or other products]

Energy Metric:

- For (milk) processing: Total energy use (converted to MMBTU) / unit of milk processed.
- For dairy product manufacturing: Total energy use (converted to MMBTU) / unit of output. [Unit of processing or output can include: gallon (milk, ice cream, frozen or other products), pound of product (cheese, butter, etc.) or kg of milk or other products]



IPM Institute of North America, Inc.

Harnessing Marketplace Power to Improve Health, Environment and Economics

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April 14, 2013

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Dear Board:

Thank you for the opportunity to comment on the draft standards. Your goal of creating credible sustainability standards for voluntary use to aid disclosure of decision-useful information to investors and others is laudable and ambitious.

We have the following comments:

1. The draft has not been adequately circulated. The draft came to our attention only recently. Over the past couple weeks, we polled more than a dozen national and international industry leaders in ag and food supply chain sustainability; none were aware of the draft or opportunity to comment.
2. The draft is not well informed by, and would benefit from, innovations developed by very active broad collaborations including the Potato Sustainability Initiative, Sustainable Agriculture Initiative, Field to Market, the Sustainability Consortium and the Stewardship Index for Specialty Crops. Partners in these collaborations include industry leaders who need to be engaged if the standards are to represent the state of the art in implementation and reporting. For example, specification of the World Health Organization categories for pesticide use reporting incorporates limitations that have been surpassed by more recently developed approaches.
3. The standards are overly prescriptive in several aspects, including specifying the use of tools which do not offer the most effective options for many potential participants. Rather than specifying tools, we recommend the standards include output criteria informed by stakeholders including those who are using credible tools that have been customized for their industries and commodities.



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4. The draft is very comprehensive and detailed. We're concerned that it is overly ambitious to tackle the current scope all at once given the broad stakeholder involvement process that is necessary to create a useful product. We recommend you consider tightening up the scope for the first standard, and plan an orderly expansion of scope over several years.

Our organization has been working since 1998 on ag sustainability standards and evaluation and reporting tools with industry, academic, government and non-governmental partners. The programs we have developed and supported collaboratively are influencing and documenting sustainable practices and outcome metrics on millions of acres of fruit, vegetable and agronomic crop production throughout the world. We appreciate your goals and efforts, and would welcome an opportunity to connect you with industry and other leaders who can help you improve the current draft.

Best regards,

A handwritten signature in black ink, enclosed within a red rectangular border. The signature is stylized and appears to read 'T. Green'.

Thomas A. Green, Ph.D., CCA
President



April 27, 2015

Sustainability Accounting Standards Board (SASB)
75 Broadway, Suite 202
San Francisco, CA 94111

Submitted electronically to Levi Stewart at levi.stewart@sasb.org

Thank you for the opportunity to submit additional comments on the draft Consumption I Sustainability Accounting Standards. These comments are a follow-up to our April 14 letter.

K-Coe Isom understands the capabilities, opportunities, and diversity of the food and agriculture industry and sees these standards as an important pathway to support the industry's continued growth. Our work is focused on helping agricultural producers identify sustainability improvements in order to increase productivity, improve business health, and enhance viability and innovation.

In the enclosure, we propose areas where the Consumption I metrics should measure sustainability in relation to production intensity. Reporting absolute data does not accurately depict how sustainable a company is because it does not address production efficiencies. In order to tie sustainability to efficiency, we believe it is best to report these metrics per production unit.

It is important that the metrics, which must be meaningful to investors, are also practical and relevant to agricultural producers. We believe some of the Draft Standard metrics are not material to agricultural sustainability. Our history of working with food companies and agricultural operations has given us insight on how to encourage adoption of sustainability frameworks in the industry, as well as given us a deeper understanding on what data are pertinent to agricultural operations.

Please see the enclosure for further comments on metrics for three standards: Agricultural Products; Meat, Poultry, and Dairy; and Alcoholic Beverages.

Sincerely,

A handwritten signature in cursive script, "Emily M. Johannes", enclosed in a red rectangular box.

Emily Johannes
ResourceMAX™ Director

Enclosure

Cc: Amy Pawlicki, AICPA

Agricultural Products

Topic	Accounting Metric	Unit of Measure	Comment
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Metric tons (t) CO ₂ -e	<p>This metric should be reported per unit of production output. This normalized approach communicates sustainability better than a total amount, which will vary greatly based on size and scope of a company's operations.</p> <p>GHG emissions differ on farms and animal operations based on equipment, scale and size, productivity, crop type, and other factors.</p>
Energy Management	Total energy consumed, percentage grid electricity, percentage renewable	Gigajoules, Percentage (%)	<p>This metric should be reported per unit of production output. This normalized approach communicates sustainability better than a total amount, which will vary greatly based on size and scope of a company's operations.</p> <p>Energy consumption differs on farms and animal operations based on equipment, scale and size, productivity, crop type, and other factors.</p>
Water Withdrawal	Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress	Cubic meters (m ³), Percentage (%)	<p>Water use per unit of production or water re-use measures may be better indicators to understanding water efficiency at a processing or farm level.</p> <p>Additionally, measurement should be focused on how farms manage water appropriately for the local community where the farm is located, not where the farm or business is located geographically.</p>

Topic	Accounting Metric	Unit of Measure	Comment
Land Use & Ecological Impacts	Amount of fertilizer consumption by: (1) nitrogen-based, (2) phosphate-based, and (3) potassium-based fertilizers	Metric tons (t)	<p>This metric should be reported per unit of production output. This normalized approach communicates sustainability better than a total amount, which will vary greatly based on size and scope of a company's operations.</p> <p>The amount of fertilizer inputs will differ greatly based on soil conditions, scale and size, crop type, plant uptake, and other factors.</p>
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Number	Regulations are different in every state and reporting instances of non-compliance will vary widely across regions – from simple fixes to severe penalties. To best measure sustainability improvement, this metric should focus on serious violations that result in enforcement actions or fines so water quality is truly improved.
	Volume of wastewater generated, percentage (1) reused and (2) discharged to the environment	Cubic meters (m ³), Percentage (%)	We recommend deleting the first component of this indicator (total volume) in order to focus on reuse.
	Amount of pesticide consumption, by hazard level	Metric tons (t)	<p>Recommend this indicator focus on relevant practices which farmers already implement – such as an Integrated Pest Management (IPM) plan and meeting IPM requirements.</p> <p>The total amount of pesticides will not be an accurate measure of sustainability; application levels and environmental consequences depend on what kind of crops are grown, when/where/how it is applied, and rainfall/water run-off from the farm.</p>

Topic	Accounting Metric	Unit of Measure	Comment
Environmental & Social Impacts of Ingredient Supply Chains	Percentage of agricultural raw materials sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%) by spend	Recommend deleting this indicator as it is not meaningful to achieving sustainability improvement at the farm level. Rather, normalized indicators (see other comments) will more accurately measure the resource utilization and efficiencies given the local conditions around the farm.
	Percentage of agricultural raw materials that are certified to a third-party environmental and /or social standard	Percentage (%) by spend	Being USDA organic certified (or not) does not necessarily mean an operation is sustainable. Sustainability needs to address the management practices, business strategies, and resource utilization aspects of a farm business.
	Description of management strategy for environmental and social risk arising from contract growers and commodity sourcing		There is a potential for respondents to see this metric as proprietary as it could reveal confidential business strategies. For example, language in the metric that asks for discussion of investments in hedging may further the perception this is business proprietary metric. We understand the standards are voluntary, but measures of sustainability should be practical and able to be disclosed.
Activity Metric	Production by major product line	Metric tons	Use these activity metrics to report intensity metrics for all the other metrics listed.
	Number of processing facilities	Number	Recommend deleting this indicator. Processing efficiencies and business growth / demand will determine the number of facilities. Sometimes business growth is perceived as 'unsustainable' when in

Topic	Accounting Metric	Unit of Measure	Comment
			fact, economic growth is a core component of sustainability. Sustainability activity measures should focus on production output per resource used (see other comments).
	Total land area under active production	Hectares	Recommend deleting this indicator. Given the great global demand for food, production efficiencies are a more meaningful metric of sustainability. Land area under production varies based on market conditions, resource conditions, etc. Sustainability activity measures should focus on production output per resource used (see other comments). If land conversion is an area of focus, recommend that more explicit indicators, such as deforestation or habitat areas be considered.
	Amount of agricultural raw materials sourced externally	U.S. Dollars (\$)	Recommend deleting this indicator. Globalization of the food system is being driven by market demands. Many U.S. food companies are implementing sustainability programs to further economic development, farmer well-being, and environmental improvement in other countries (e.g., cocoa, coffee, etc.). It is unclear how this metric would provide meaningful information about a company's sustainability improvement.

Meat, Poultry, and Dairy

Topic	Accounting Metric	Unit of Measure	Comment
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Metric tons (t) CO ₂ -e	See Agricultural Products.
Energy Management	Total energy consumed, percentage grid electricity, percentage renewable	Gigajoules, Percentage (%)	See Agricultural Products.
Water Withdrawal	Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress	Cubic meters (m ³), Percentage (%)	See Agricultural Products.
Land Use & Animal Waste Management	Number of incidents of non-compliance with water quality permits, standards, and regulations	Number	See Agricultural Products.
	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	Metric tons (t), Percentage (%)	We recommend that this metric be based on a unit of production output. This normalized approach communicates sustainability better than a total, which will vary greatly based on size and scope of a company's operations. For example, larger animal operations may create more manure, but will also be implementing management procedures and applications to properly reuse, manage, or treat the waste (e.g., anaerobic digesters).
	Percentage of pasture and grazing land managed to NRCS Conservation Plan criteria	Percentage by hectares (%)	The metric should include an "N/A" option so it does not penalize operations for having no grazing.

Topic	Accounting Metric	Unit of Measure	Comment
	Animal protein production from concentrated animal feeding operations (CAFO)	Metric tons (t)	Recommend deleting this indicator. It is unclear how this metric relates to sustainability and how investors will benefit from this information. Sustainability measures should focus on proper management of natural, human, and economic resources as well as social responsibility.
Animal Care & Welfare	Percentage of pork produced without use of gestation crates	Percentage by weight (%)	<p>This is a narrow measurement of sustainability. Animal welfare measures involve many practices and this does not capture all of animal welfare needs/sustainability.</p> <p>Recommend that animal health and welfare focus on VCPR, herd health, proper management techniques and best management practices.</p>
	Percentage of cage-free shell egg sales	Percentage (%)	<p>This is a narrow measurement of sustainability. Animal welfare measures involve many practices and this does not capture all of animal welfare needs/sustainability.</p> <p>Recommend that animal health and welfare focus on VCPR, herd health, proper management techniques and best management practices.</p>

Topic	Accounting Metric	Unit of Measure	Comment
	Amount of nontherapeutic antibiotic usage, percentage of animal production receiving nontherapeutic antibiotics	Metric tons (t)	<p>Dosage depends on many animal factors such as the weight of cattle. According to beef veterinarian experts, a better classification of these (non-therapeutic vs. therapeutic) is non-critical or critical, respectively, as well as who/what it is critical to (humans or animals).</p> <p>If non-critical antibiotic use is necessary to report out, non-critical should be defined. Feedyards and dairies that are tracking this information may find this easier to report only for the finishing stage where it's most critical to human health.</p>
Environmental & Social Impacts of Animal & Feed Supply Chains	Percentage of contract producers in water-stressed regions	Percentage by contract value (%)	Recommend deleting this indicator as it is not meaningful to achieving sustainability improvement at the farm level. Rather, normalized indicators (see other comments) will more accurately measure the resource utilization and efficiencies given the local conditions around the farm.
	Percentage of feed sourced from water-stressed regions	Percentage by weight (%)	Recommend deleting this indicator as it is not meaningful to achieving sustainability improvement at the farm level. Rather, normalized indicators (see other comments) will more accurately measure the resource utilization and efficiencies given the local conditions around the farm.

Topic	Accounting Metric	Unit of Measure	Comment
Activity Metrics	Number of processing and manufacturing facilities	Number	Recommend deleting this indicator. Processing efficiencies and business growth / demand will determine the number of facilities. Sometimes business growth is perceived as 'unsustainable' when in fact, economic growth is a core component of sustainability. Sustainability activity measures should focus on production output per resource used (see other comments).
	Animal protein production, by category; percentage outsourced	Metric tons (t), Percentage (%)	Use the production metric to normalize the environmental indicators above.

Alcoholic Beverages

Topic	Accounting Metric	Unit of Measure	Comment
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Metric tons (t) CO2-e	See Agricultural Products.
Energy Management	Total energy consumed, percentage grid electricity, percentage renewable	Gigajoules, Percentage (%)	See Agricultural Products.
Water Management	Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress	Cubic meters (m ³), Percentage (%)	See Agricultural Products.
Packaging Lifecycle Management	Total weight of packaging sourced and (1) percentage made from recycled or renewable materials and (2) percentage that is recyclable or compostable	Metric tons (t)	We recommend that this metric be based on a unit of production output. This normalized approach communicates sustainability better than a total, which will vary greatly based on size and scope of a company's operations.
Environmental & Social Impacts of Ingredient Supply Chains	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%) by spend	Recommend deleting this indicator as it is not meaningful to achieving sustainability improvement at the farm level. Rather, normalized indicators (see other comments) will more accurately measure the resource utilization and efficiencies given the local conditions around the farm.

Topic	Accounting Metric	Unit of Measure	Comment
	List of priority beverage ingredients and discussion of sourcing risks due to environmental and social considerations	n/a	There is a potential for respondents to see this metric as intrusive as it could reveal business strategies. For example, language in the metric that asks for discussion of investments in hedging may further the perception this is business proprietary metric. We understand the standards are voluntary, but measures of sustainability should be practical and able to be disclosed.
Activity Metric	Volume of product sold	Millions of liters	Use these activity metrics to report intensity metrics for all the other metrics listed.
	Total fleet road miles travelled	Miles	Use these activity metrics to report intensity metrics for all the other metrics listed.
	Amount of raw materials sourced externally	U.S. Dollars (\$)	Use these activity metrics to report intensity metrics for all the other metrics listed.



NATIONAL COUNCIL FOR AIR AND STREAM IMPROVEMENT, INC.

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April 13, 2015

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Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

To Whom It May Concern:

The National Council for Air and Stream Improvement, Inc. (NCASI) is pleased to provide the following comments on the Public Exposure Draft Standard for Public Comment: *Consumption I Sector/ Household & Personal Care Products Sustainability Accounting Standard*.

NCASI is a non-profit environmental research institute that seeks to create credible scientific information required to address the environmental information needs of the forest products industry in North America. NCASI conducts surveys, provides advice regarding technically appropriate methods of conducting environmental field measurements, undertakes technical studies such as scientific literature reviews and research compilations, and sponsors scientific research by universities and others to document the environmental performance of industry facility operations and forest management, and to gain insight into opportunities for further improvement in meeting sustainability goals.

The nature of NCASI's research provides us with a unique lens on the development of metrics related to documenting the performance of forest products industry operations, given our research into the development and field application of sampling and analytical test methods, along with over 70 years of experience in reviewing and treating data that characterize environmental releases from the sector. With this background in mind, we offer the following comments on the Draft Standard:

CN0601-01. Total energy consumed, percentage grid electricity, percentage renewable

.03 The registrant shall disclose purchased grid electricity consumption as a percentage of its total energy consumption

The US pulp and paper industry generates substantial amounts of electricity for sale through the efficient use of onsite combined heat and power systems. Total sales of electricity from the US

paper industry were 8,152 million kWh in 2010.¹ The ability to credit sold electricity in .03 should be considered.

.05 Renewable energy is defined as energy from sources that are capable of being replenished in a short time though ecological cycles, such as geothermal, wind, solar, hydro, and biomass.

- *For the purposes of this disclosure, the scope of renewable energy from hydro and biomass sources are limited to the following:*
 - *Energy from hydro sources that are certified by the Low Impact Hydropower Institute*

A number of pulp and paper facilities generate hydroelectric power. Over 1,700 hydroelectric facilities operate within the United States. Non federal hydropower projects are regulated by the Federal Energy Regulatory Commission (FERC) and number 1,623 sites (with the Bureau of Reclamation and Army Corps of Engineers operating the remaining sites within the US).² FERC regulations include licensing, compliance, and dam safety and inspection requirements. Only 120 hydroelectric facilities are registered with the Low Impact Hydropower Institute³ so would represent less than 10% of operating hydroelectric power plants. It is suggested that any hydroelectric power from a hydropower facility with a FERC license should qualify as renewable energy.

- *Energy from biomass sources is limited to sources that are considered “eligible renewable” according to the Green-e Energy National Standard Version 2.4, or that are eligible for a state Renewable Portfolio Standard.*

The US forest products industry generated 1,610 trillion BTU from the combustion of spent pulping liquors and other biomass residuals in 2010⁴. Within the US industrial sector, the pulp and paper and wood products industry comprised nearly 60% of the biomass material used in combustion for energy generation⁵. Biomass used for energy generation within the forest products industry in North America originates from forest management practices complying with State forestry Best Management Practices (BMPs) or provincial regulations. In addition, the widespread adoption of third party, independent, sustainable forestry standards such as the Sustainable Forestry Initiative (SFI®), the Canadian Standards Association standard for Sustainable Forest Management (CSA-SFM), the American Tree Farm System (ATFS), and the Forest Stewardship Council (FSC®) further ensure the responsible use of biomass within North America. It is estimated that over 430 million acres of forest land is enrolled in one or more of

¹ US Energy Information Administration (EIA) Manufacturing Energy Consumption Survey (MECS) Results. 2014. Electricity: Components of Net Demand:

http://www.eia.gov/consumption/manufacturing/data/2010/pdf/Table11_1.pdf

² <http://www.hydro.org/tech-and-policy/faq/>

³ <http://lowimpacthydro.org/certified-facilities/>

⁴ US Energy Information Administration (EIA) Manufacturing Energy Consumption Survey (MECS) Results. 2014. Fuel Consumption by Manufacturing Industry and Region in 2010.

http://www.eia.gov/consumption/manufacturing/data/2010/pdf/Table3_2.pdf

⁵Renewable Energy Consumption: Industrial and Transportation Sectors

http://www.eia.gov/totalenergy/data/monthly/pdf/sec10_5.pdf

SFI⁶, FSC⁷, CSA-SFM⁸ and ATFS⁹ within the United States and Canada. State forestry BMPs and provincial regulations are regularly updated, reflect multiple stakeholder input, and are based upon local conditions. The major sustainable forestry regulations and certification standards have provisions to ensure sustainable harvest levels, and to protect biodiversity, wildlife habitat and water quality. Because of the prevalent use of sustainable forestry standards, local regulations, and BMPs, compliance with additional programs such as Green-e are burdensome and are unlikely to provide additional benefits related to the responsible use of biomass for energy generation. It is suggested that the Green-e requirements for biomass be removed, and that companies have flexibility in the methodology they use to report their renewable energy use, as long as they disclose the basis for the amounts reported.

CN0602-02. Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress

.07 The registrant shall disclose the amount of water (in thousands of cubic meters) that was withdrawn from fresh water sources for use in operations.

Water withdrawals at pulp and paper facilities are sometimes not measured or aren't measured with the same degree of accuracy as water discharges, which are required to be measured with calibrated meters and reported pursuant to an NPDES water discharge permit. For the US pulp and paper industry it is estimated that 90% of total water inputs to a mill are returned to surface waters¹⁰ meaning that, for the US pulp and paper industry, water withdrawals and water discharges closely correspond. The standard should explicitly allow for estimated water discharge values to be used to satisfy this reporting requirement.

.08 The registrant shall disclose the total amount of water by volume (in thousands of cubic meters) that was recycled during the fiscal year. This figure shall include the amount recycled in closed-loop and open-loop systems.

Water recycle is a difficult metric to quantify because reuse deals with internal flows for which sufficient metering is often not available for complete characterization, and because the same volume of water may be used and reused for several different purposes within a mill before final discharge. Recognizing that water is integral to the operation of pulp and paper mills, and to demonstrate the efficient and responsible use of water within facilities, NCASI developed the NCASI Water Recycle Tool to facilitate mill specific estimates of water recycle at pulp and paper facilities. The approach used within the NCASI water recycle tool is to compare water use at a pulp and paper mill under current operating practices to an equivalent mill operating with no water recycle but producing the same product. This approach is compatible with the definition of water recycle in .08: "any volume of water reused multiple times shall be counted a recycled

⁶ <http://www.sfiprogram.org/about-us/basics-of-sfi/>

⁷ <https://us.fsc.org/>

⁸ www.certificationcanada.org

⁹ <https://www.treefarmssystem.org/about-tree-farm-system>

¹⁰ National Council [of the Paper Industry] for Air and Stream Improvement, Inc. (NCASI). 2009. Water profile of the United States forest products industry. Technical Bulletin 0960. Research Triangle Park, NC. National Council of the Paper Industry for Air and Stream Improvement, Inc.

each time it is recycled and reused” and the approach should be recognized as a means for making the required calculation.

Requiring the reporting of a quantitative estimate of water recycle will add a substantial reporting burden to the pulp and paper industry that is currently not required within any other disclosure program. For complex, integrated pulp and paper facilities the time requirements to develop a detailed estimate of water recycle, even with the NCASI Water Recycle Tool to facilitate calculations, can be in the 20 to 40 person hour range. Further, the concept of recycle as a sustainability metric isn't complete without some discussion of trade-offs including, importantly, the potential for increased consumptive losses of water from the local watershed, which was one of the findings from the Council of Great Lakes Industries (CGLI) water footprinting work¹¹. It is suggested that the reporting of water recycle be optional versus required.

.09 Using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct, the registrant shall analyze all of its operations for water risk and identify facilities that are in a location with High (40-80%) or Extremely High (>80%) Baseline Water Stress. Water withdrawn in locations with High or Extremely High Baseline Water Stress shall be indicated as a percentage of total water withdrawn.

WRI Aqueduct is one tool among many that can be used for screening water stressed regions. Aqueduct should only be used for high level analysis, and is no substitute for local knowledge and local water quality data. The Baseline Water Stress within the WRI Aqueduct Tool is calculated as the ratio of “total annual water withdrawals” to “total annual available flow”. Total annual water withdrawals are calculated at the national level and are estimated using regression equations based on annually measured indicators such as gross domestic product (GDP), population, irrigated area, and electrical power production. National numbers are then spatially disaggregated by sector (domestic, industrial, agricultural), with a goal of maximizing correlations with reported withdrawals (irrigated area for agriculture, nighttime lights and power plants for industrial uses and the population). Total annual available flow, the denominator in Baseline Water Stress, is calculated through mass balance and several of the mass balance vectors are either calculated or based upon general factors applied regardless of the geographical region. The approach used to calculate Baseline Water Stress is only applicable at the country-wide or very large watershed level and may be subject to large error. It is suggested that this requirement be removed because of WRI Aqueduct's inability to adequately characterize water stress at the local watershed level, in which the results are most pertinent. If the use of WRI Aqueduct is retained for characterizing water stress, it should be recognized that the results from this tool will have limited utility in characterizing water stress at the local watershed level.

¹¹ <http://cgli.org/wp-content/uploads/2013/09/Phase-II-Final-Report-May-7-2012.pdf>

We appreciate your consideration of our comments, and can be reached at the coordinates above if you have any questions regarding this submission.

Regards,

A handwritten signature in black ink, enclosed in a red rectangular box. The signature is cursive and appears to read "Kirsten Vice".

Kirsten Vice

A handwritten signature in black ink, enclosed in a red rectangular box. The signature is cursive and appears to read "Reid Miner".

Reid Miner



Rodriguez-Gonzalez Services
rodriguez-gonzalez.net

Toronto, February 17th, 2015

Dear SASB standards Review Team

This letter is just to share some of my recent observations in the Consumption I group of standards.

After comparing the indicators from all the food related standards I had the following questions:

1. In which standard will be the aquaculture products included?
2. In which standard will be the animal feeds included?
3. Are the indicators of political spending only relevant to agricultural products? but not for the other groups (animal food products, processed foods and beverages)?

Thanks again for inviting me to participate in the standard development groups and I look forward to continue collaborating with your organization.

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Stuwix Resources Joint Venture

April 12, 2015

Sustainability Accounting Standards Board®
75 Broadway, Suite 202
San Francisco, CA 94111

Re: Comments on Household and Personal Products Standard

Thank you for the opportunity to comment on the Sustainability Accounting Standards Board's (SASB) Containers and Packaging Standard.

The Sustainable Forestry Initiative® Inc. (SFI) is an independent, nonprofit organization that is solely responsible for maintaining, overseeing and improving the internationally recognized SFI® program. Across the United States and Canada, over 250 million acres are certified to the SFI forest management standard. In addition, through the SFI program's unique and proactive "**Fiber Sourcing**" requirements, all SFI program participants – whether they own lands or buy fiber from non-certified lands – must take measures to ensure that the raw material in their supply chain is from responsible, legal sources.

The SFI requirements address forest sustainability regardless of the final product produced from the forest, whether it is lumber, paper, or packaging. The SFI Standard's requirements for land management and the procurement of fiber are essential to conserving environmental factors such as water quality, soil productivity, and biodiversity, as forests meet the growing global demand for bioenergy. Numerous packaging producers across the U.S. and Canada utilize certification to the SFI Standard as a proof point of responsible sourcing of forest fiber.

Approximately 80% of forested acres in the United States are not certified to any forest certification standard. Most of those forested acres are owned by family forest owners. Those owners have varied goals for owning forests and forest certification may not be cost-effective for them. It is for these very reasons that SFI designed its Fiber Sourcing requirements. SFI requires all SFI program participants to demonstrate that the raw material in their supply chain comes from legal and responsible sources, whether the forests are certified or not. Certification to SFI's Fiber Sourcing requirements must be third-party verified.

When buying fiber from forests in North America that are not certified, SFI program participants must:

- Supply regionally appropriate information or services so forest landowners can identify and protect or create habitat for wildlife; reforest harvested lands, either naturally and through replanting; and protect riparian zones and water quality.
- Provide implementation guidance for responsible forestry, addressing topics such as biodiversity, utilization, afforestation, invasive exotic plants and animals, and special sites.
- Promote the use of loggers and resource professionals trained in sustainable forestry practices and, where possible, support logger certification programs.
- Clearly define fiber sourcing policies in writing and make them available to suppliers — contracts for the purchase of raw material must include requirements for the use of best management practices to protect water quality.

- Implement a verifiable monitoring system.
- Encourage landowners to participate in forest management certification programs.

SFI Fiber Sourcing also directly addresses legality, both in terms of compliance with all laws and regulations and the avoidance of fiber from controversial sources. Because of the importance of fiber sourcing in the supply chain, below are suggested edits to the "Total wood fiber sourced, percentage from certified sources" section of the draft Household and Personal Products Standard.

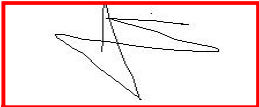
CN0602-10. Total wood fiber sourced, percentage from certified sources

.42 The registrant shall disclose the percent of its wood fiber-based materials that were sourced from certified sources, where.

- Certified sources include:
 - Forest Stewardship Council (FSC) (i.e., FSC 100% ~~label~~, ~~and~~ FSC Mixed Sources and FSC Recycled labels),
 - Sustainable Forest Initiative (SFI), (i.e SFI Chain of Custody and SFI Certified Sourcing labels)
 - Programme for the Endorsement of Forest Certification (PEFC). (i.e PEFC Certified and PEFC Recycled labels)

Thank you for consideration of our comments. I can be reached with any questions or concerns by email at Jason.Metnick@SFIprogram.org or 602-374-6539.

Sincerely,



Jason Metnick
Senior Vice President, Customer Affairs

Public Comments Submitted



COMPILATION OF PUBLIC COMMENT SUBMITTED VIA COMMENT PORTAL & E-MAIL

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts
CN0602	Rob Predale Johnson & Johnson Consumer Companies	Product Environmental, Health and Safety Performance (CN0602-05 to CN0602-08)	<ul style="list-style-type: none"> • We support the deletion of two previous metrics in the category <ul style="list-style-type: none"> ○ “Percentage of cosmetic products that contain California Department of Public Health Declarable substance” ○ “The total addressable market and share of market and share of market addressing environmental and/or human health considerations” • We are concerned about the about the adoption of two new metrics <ul style="list-style-type: none"> ○ “Revenue from California DTSC Priority Products”: As noted by the California DTSC, the inclusion of a “priority product” is triggered by the State of California’s assertion that a product contains a “chemical of concern” that has a hazard trait. We believe this overly broad and does not represent an actual risk to human health and the environment. Additionally, many ingredients outside of the cosmetic personal care industry are not tested for trace impurities and consequentkly these products may not be properly evaluated by DTSC. ○ “Revenue from products designed with green chemistry”: We fully support the green chemistry principles, however, without clear guidelines on how the 12 principles apply (i.e. thresholds) the ability to make this metric “comparable” among industries is very difficult.
CN0602	Rob Predale Johnson & Johnson Consumer Companies	Environmental & Social Impacts of Supply Chains (CN0602-09)	<ul style="list-style-type: none"> • We do not support the deletion of the following metric <ul style="list-style-type: none"> ○ Percentage of tier 1 suppliers audited to labor standards <p>We are also resubmitting our previous comments on the remaining portion of the survey. The majority of our previous comments were not addressed.</p> <p>Thank you for allowing us to comment.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts
CN0602	Katie Missimer American Forest & Paper Association	General Comment	<p>We submitted the attached comments* through SASB's site for Household and Personal Care Products. We would also request that you apply our comments on the Packaging Lifecycle Management metric (pg. 11-12) from Household and Personal Care Products to the Packaging Lifecycle Management metric from the following draft standards:</p> <ol style="list-style-type: none"> 1. Alcoholic Beverages – CN202-09, CN202-10 2. Non-alcoholic Beverages – CN201-11, CN201-12 3. Processed Foods – CN103-17, CN103-18 <p>*Pg #2 of this document</p>