



## Supplement to Standards Outcome Report

### Consumption 1

This is a supplement to the Standards Outcome Review report for the Consumption 1 sector, prepared for the SASB Standards Council meeting on December 18, 2014. This supplement contains detailed feedback from SASB Industry Working Groups (IWG) for this sector. The Standards Outcome Report addresses these comments, and based on a review of the comments and additional research, the SASB Standards Development team will put forward for a 90-day public comment period (PCP) on January 14, 2015, accounting standards for the five industries in the Resource Transformation sector.

#### Section 1

This section provides the percentage of IWG members that determined each issue in an industry, for all five industries, to be material. Green bars indicate that the IWG respondent agrees that the issue is material, red bars indicate that the IWG respondent disagrees, and blue bars indicate that the IWG participants consider that the issue may be material, but has substantial reservations. These responses determine which issues the SASB Standards Development team investigates further in greater detail to present material issues for public comment.

#### Section 2

Section 2 lists all the comments received during the IWG, including: the industry, disclosure topic<sup>1</sup>, question type on the survey, interest group, suggested disclosure topic where IWG members suggested adding a topic, or response to whether an issue presented to the IWG is considered material, and detailed comments.

Comments related to issues on which there was IWG consensus regarding materiality will be considered when creating issue descriptions for the sustainability accounting standards, and revising industry briefs.

Comments related to other issues have been considered when revising or eliminating issues as being material, as discussed in the Standards Outcome Review report.

Comments related to suggestions for new issues have been considered when adding material issues to an industry, as discussed in the Standards Outcome Review report.

All other comments relate to industry definitions, SASB's overall approach, and IWG participation experience, and will be considered for process improvements.

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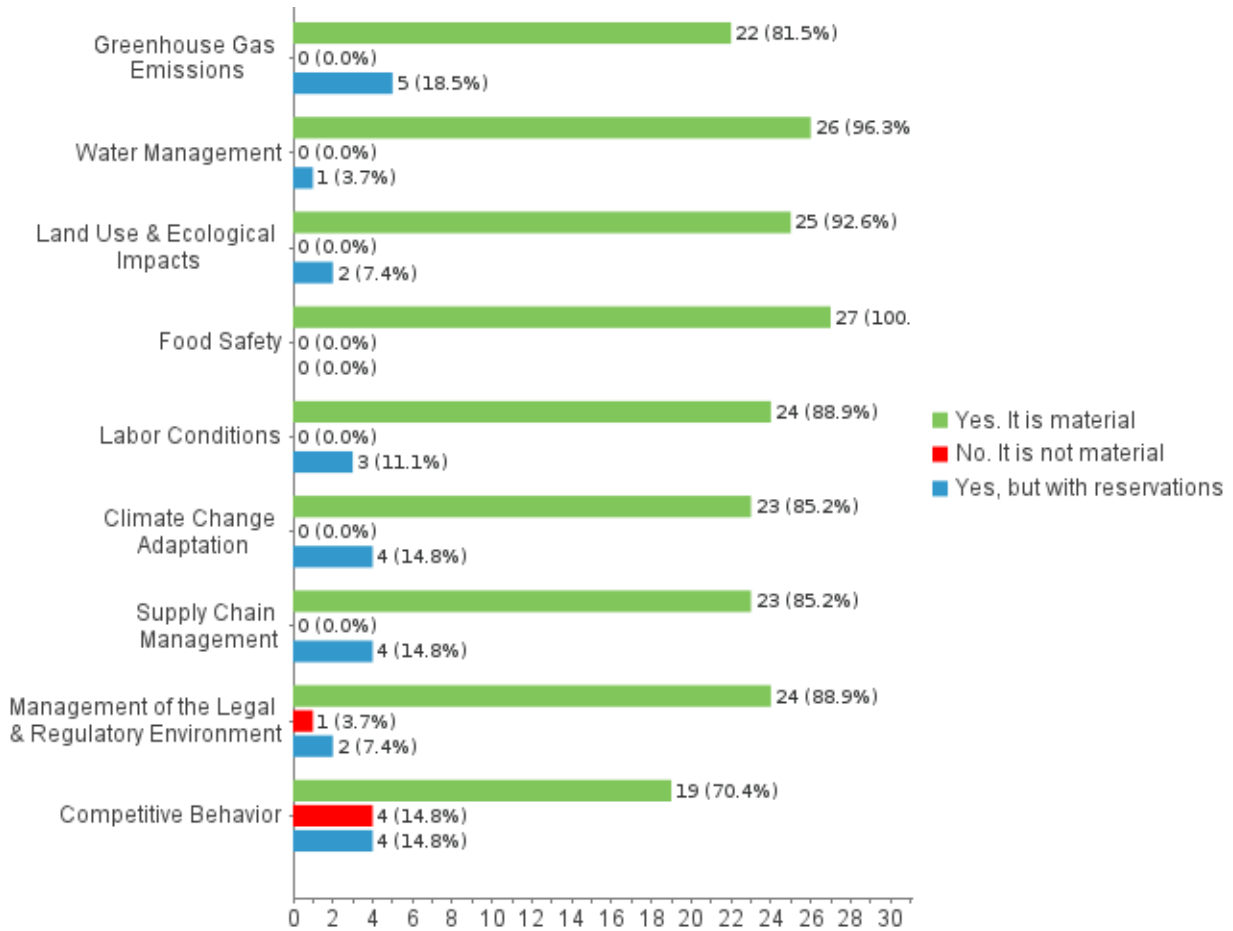
<sup>1</sup> In cases where general comments were made that related to a sustainability topic already presented by SASB for an industry, these comments have been mapped back to the topic.



**Section 1 - IWG Assessment of Materiality**

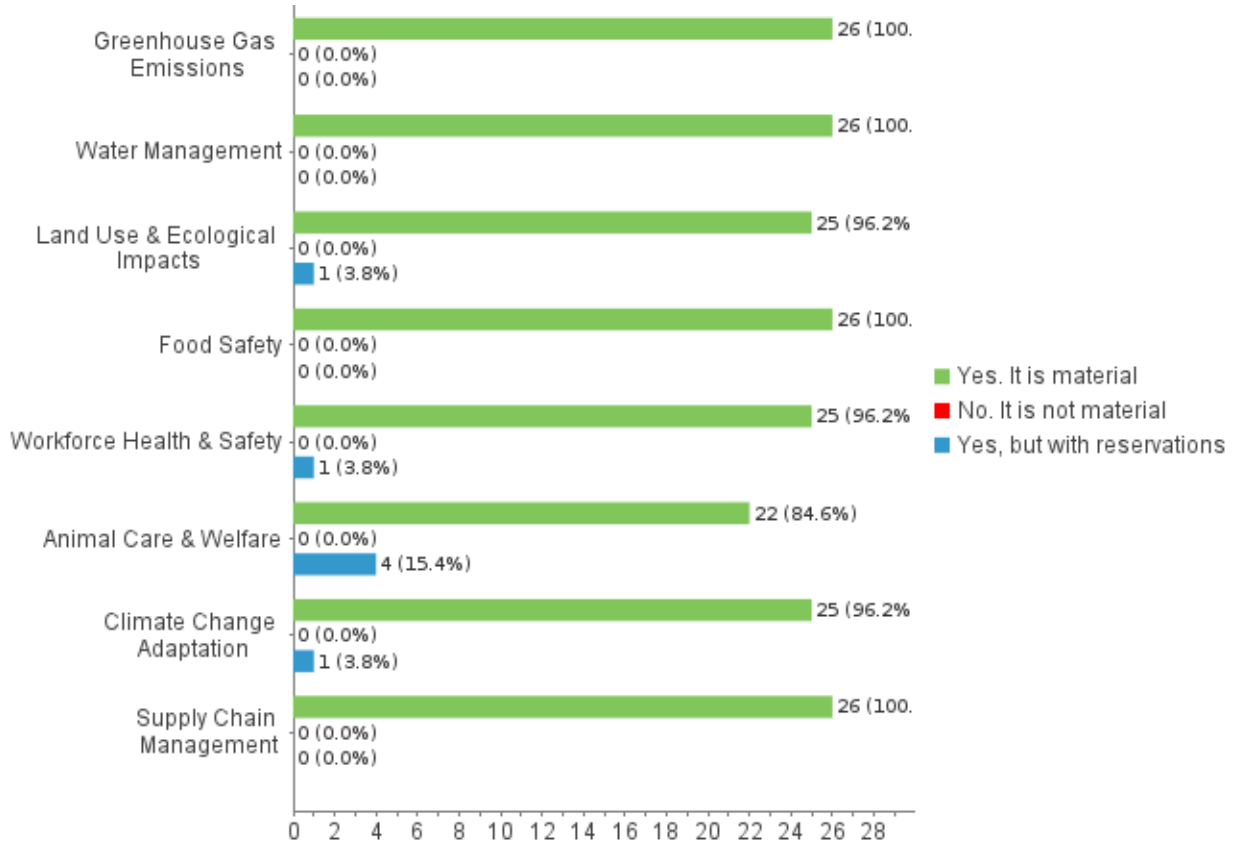
In your opinion are the following material sustainability issues to the given industry?

**Agricultural Products**



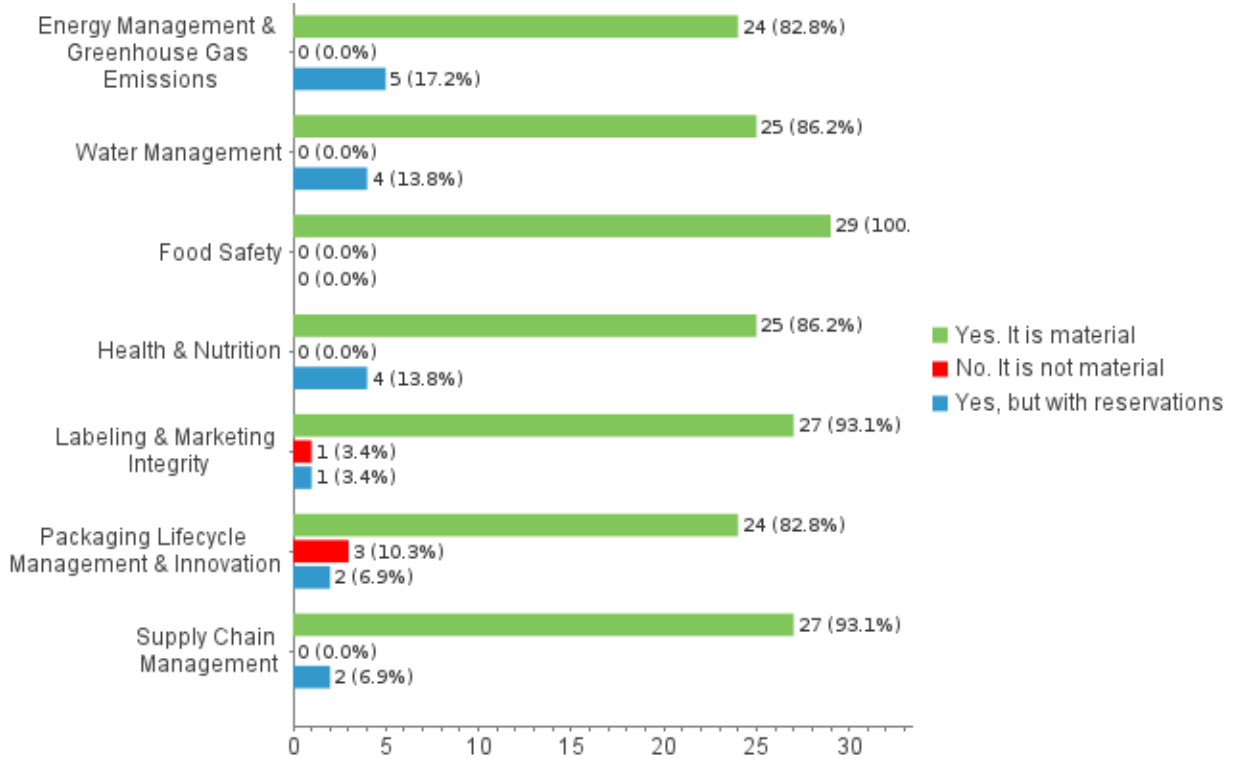


## Meat, Poultry, & Dairy

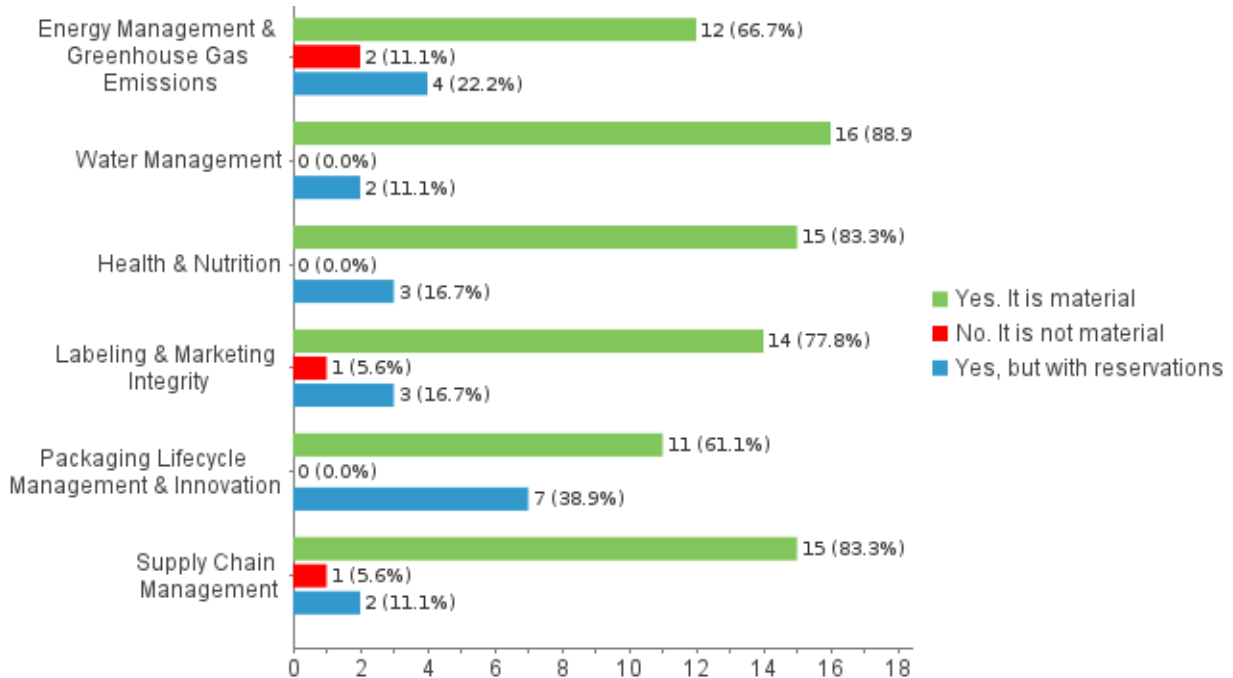




### Processed Foods

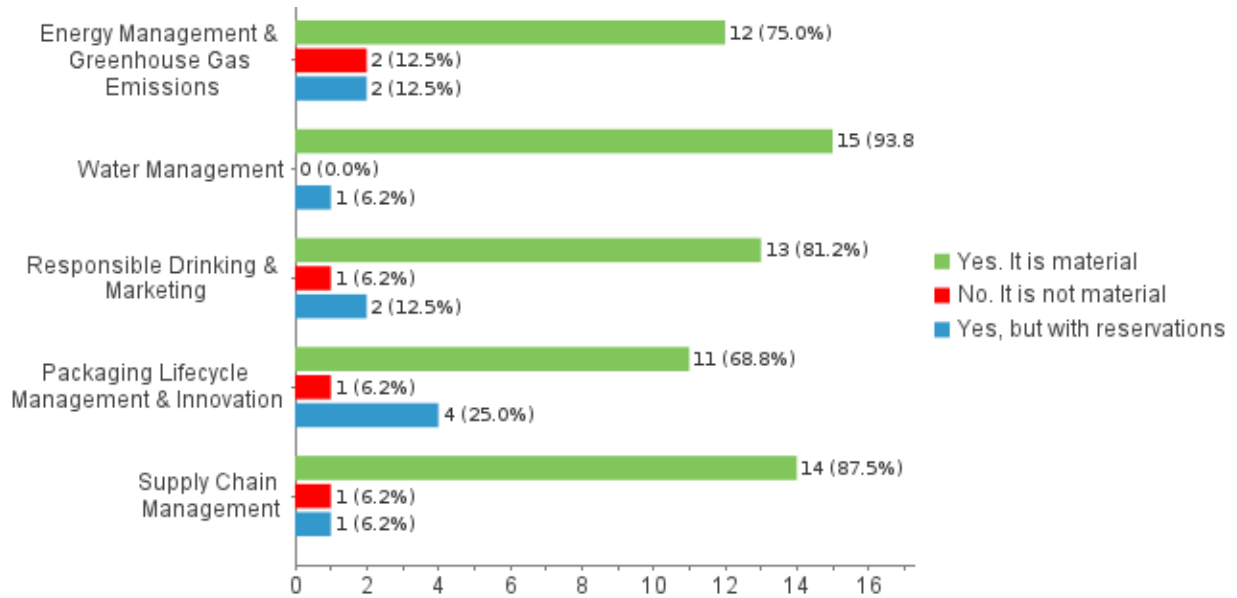


### Non-Alcoholic Beverages

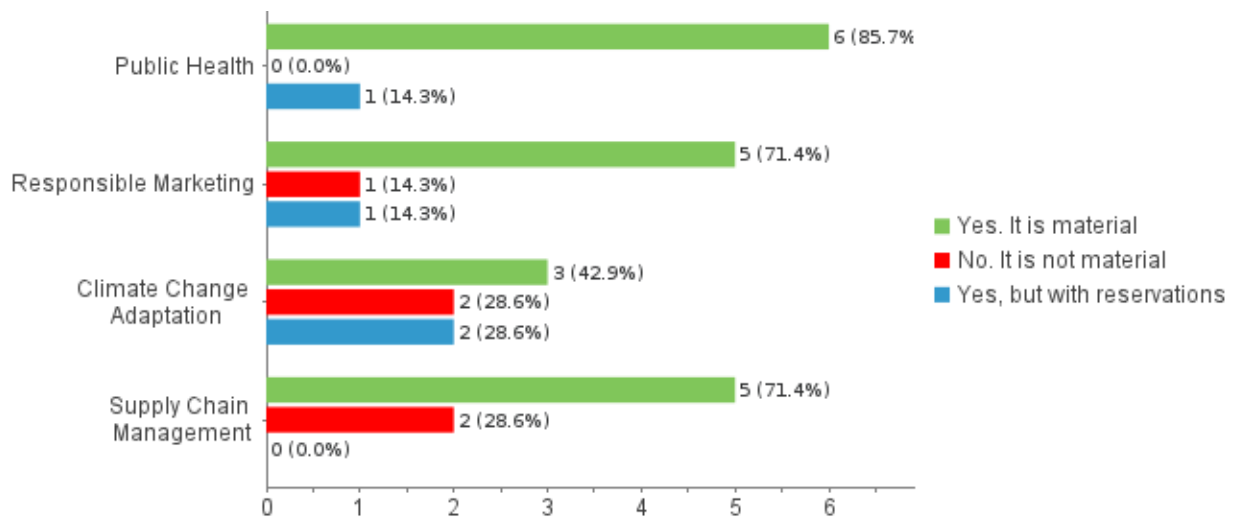




## Alcoholic Beverages

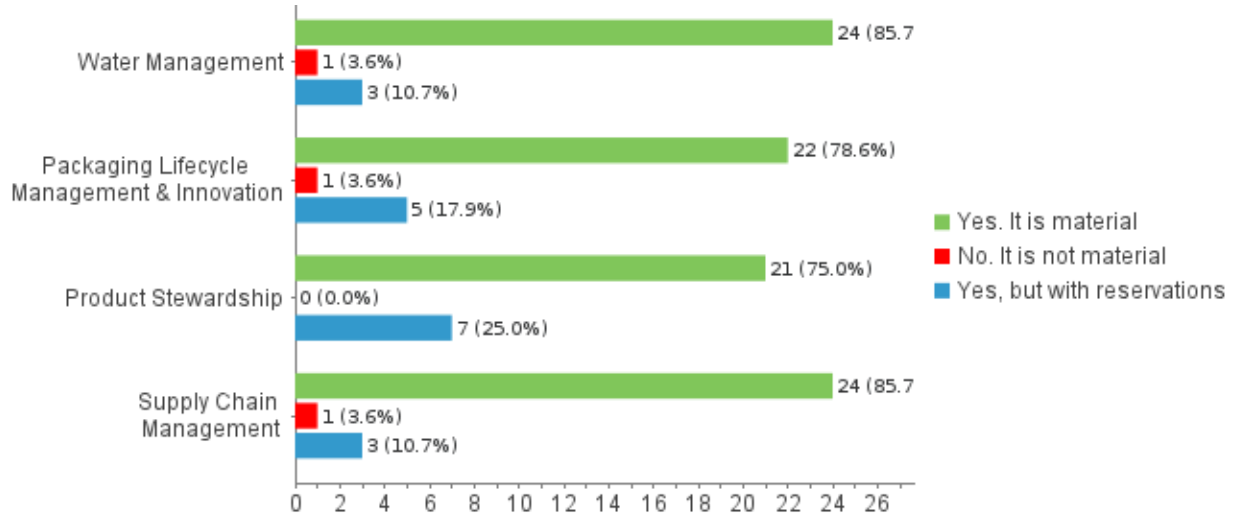


## Tobacco





## Household & Personal Products





**Section 2 - IWG Comments on Disclosure Topics**

Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Yes	Evidence based information on changing micro and macro environment (water, land, ecology, air etc) can allow businesses to move their growing and production in areas that provide the least negative impact. Its important though that the manner in which it is carried out has minimized disruption on societies that benefit from current practices.
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Yes	<a href="http://www.cargill.com/corporate-responsibility/food-security/index.jsp">http://www.cargill.com/corporate-responsibility/food-security/index.jsp</a> <u>This is not specific to climate change, but it pertains to food security generally.</u>
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Yes	Changes in temperature, rainfall, etc. can have a significant impact on sourcing regions, which can significantly impact a company.
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Yes	to ensure that adaptation is being addressed; otherwise I'm concerned that it will only get cursory attention and no real progress will be made
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Maybe	Need to envision adaptation on a case by case does not apply to all therefore not comparable under my perspective
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Maybe	See answer to GHG emissions for some of the answer. Directly relating to this question, it depends on the investors' time horizon. A 10 year horizon offers a substantially lessened exposure than a 30 year horizon to the effects of CC.
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Maybe	hard to see how this is relevant to all types of agriculture
Agricultural Products	Climate Change Adaptation	Material Issue?	Corporations	Maybe	Again, this is variable per region per crop.
Agricultural Products	Climate Change Adaptation	Material Issue?	Market Participant	Yes	Physical impacts from climate change present risks that otherwise unmanaged can seriously affect financial outcomes e.g. flood affecting facilities, interruption in power supply from a mega-storm.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://unfccc.int/files/adaptation/nairobi_work_programme/private_sector_initiative/application/pdf/kpmg_psi_database_report.pdf">http://unfccc.int/files/adaptation/nairobi_work_programme/private_sector_initiative/application/pdf/kpmg_psi_database_report.pdf</a> ; <a href="https://www.unglobalcompact.org/docs/issues_doc/Environment/climate/Business_and_Climate_Change_Adaptation.pdf">https://www.unglobalcompact.org/docs/issues_doc/Environment/climate/Business_and_Climate_Change_Adaptation.pdf</a>
Agricultural Products	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	University of Minnesota Institute on the Environment is a treasure trove of data regarding expected impact of climate change on crop productivity
Agricultural Products	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.unisdr.org/search?cx=014932112152556794315%3Aev9g2xr_5ni&amp;cof=FORID%3A11&amp;ie=UTF-8&amp;q=agriculture&amp;sa.x=0&amp;sa.y=0">http://www.unisdr.org/search?cx=014932112152556794315%3Aev9g2xr_5ni&amp;cof=FORID%3A11&amp;ie=UTF-8&amp;q=agriculture&amp;sa.x=0&amp;sa.y=0</a>
Agricultural Products	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.ifpri.org/sites/default/files/publications/pr21.pdf">http://www.ifpri.org/sites/default/files/publications/pr21.pdf</a>
Agricultural Products	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Maybe	While important, adapting crops to meet a particular climate has been a practice of farmers for centuries. For example, dryland farming techniques have been developed to grow products in some of the most arid regions of the world. Today's agricultural companies have advanced techniques for modifying crops as well as using statistical forecasting for anticipating shifts in weather patterns.
Agricultural Products	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Maybe	It is challenging to measure.
Agricultural Products	Competitive Behavior	Material Issue?	Corporations	No	Sort of the opposite on my comments about labor, there seems to be a willingness to allow consolidation into oligopolies, if not downright monopolies, across the globe. Just not sure that the consumer cares, as long as their "short term pricing" remains low. We all know how this game ends, but if consumers aren't pushing back then investors aren't likely to care.
Agricultural Products	Competitive Behavior	Material Issue?	Corporations	No	This does not appear to be material from a sustainability perspective. This is more related to market manipulation which may be material to a company but isn't appropriate as a measure of sustainability.
Agricultural Products	Competitive Behavior	Material Issue?	Corporations	No	Dont see why that is material competitiveness is healthy





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Competitive Behavior	Material Issue?	Corporations	No	It's important, but doesn't reach in my mind the level of material
Agricultural Products	Competitive Behavior	Material Issue?	Corporations	Maybe	I do think it's material. However, it's hard to see how we can have the level of transparency needed in order to sniff out the bad behavior of market manipulation.
Agricultural Products	Competitive Behavior	Material Issue?	Corporations	Maybe	The nature of behavior between agriculture industries is not necessarily competitive. More supportive.
Agricultural Products	Competitive Behavior	Material Issue?	Public Interest & Intermediaries	Yes	For the small set of companies to which this topic applies, I agree that trading practices (and lobbying to influence regulation) should be included in the total mix of information available to the investor, given the potential impact of regulation as well as companies' violations. However, relative to other topics in this survey, I would rate this topic low in terms of importance to sustainability and to impact on financial value.
Agricultural Products	Competitive Behavior	Material Issue?	Public Interest & Intermediaries	No	I was not convinced by the evidence provided. People have always hated speculators but it's really hard to tell them from companies who are participating in a well-functioning market
Agricultural Products	Competitive Behavior	Material Issue?	Public Interest & Intermediaries	No	This is an important economic point, but one that I see as falling in the realm of more traditional trade regulations.
Agricultural Products	Competitive Behavior	Material Issue?	Public Interest & Intermediaries	Maybe	Competitive Behaviour is sometimes an argument for imposing non-tariff barriers to trade. The disclosure shall specifically address this issue which is sometimes a Tabu. Certain NGOs surveyed the impact of lobby in the industry and this seriously affect international competitiveness of global firms when food safety and/or competitive behaviour is used as a manouver for imposing non trade barriers. <a href="https://www.opensecrets.org/lobby/issuesum.php?id=FOO">https://www.opensecrets.org/lobby/issuesum.php?id=FOO</a>
Agricultural Products	Competitive Behavior	Material Issue?	Public Interest & Intermediaries	Maybe	Competitive behavior will be in evidence across the board.
Agricultural Products	Congratulations	Other Comment	Corporations	D.N.A. - Other Comment	Well done and useful.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Agricultural Products	Congratulations	Other Comment	Corporations	D.N.A. - Other Comment	Bravo for taking this on. If we could get a small fraction of these into corporate disclosures, that would be a huge achievement!
Agricultural Products	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	I found the Industry Research Brief to be very interesting, relevant, concise, comprehensive and well written. It was also forward looking. Thank you!
Agricultural Products	Congratulations	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	I enjoyed reading the brief, well done. In completing this it got a little tricky thinking only of ag companies and not the food production part downstream of them.
Agricultural Products	Congratulations	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	As with prior SASB surveys, this was a straightforward process and easy to complete.
Agricultural Products	Congratulations	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>Thank you for the opportunity to provide input to the development of SASB's standards for agricultural production. I appreciate your effort to provide the industry brief and a thoughtful process of securing stakeholder input. I look forward to seeing how a diverse group of stakeholders will help to direct and refine the standards development process.</p> <p>It is my hope that these comments are helpful even though time constraints prevent more comprehensive input (with references, numerical examples, etc.). If there are any specific issues for which you would like additional input or clarification, I would be happy to spend more time on this.</p>
Agricultural Products	Food Safety	Add Issue	Public Interest & Intermediaries	GMOs	Organic farming was discussed in the brief, but it seems buried in the existing categories. Personally I'm OK w GMOs, it improves yield, but it's a significant stakeholder issue.
Agricultural Products	Food Safety	Material Issue?	Corporations	Yes	issues of labeling and food safety are key for nutrition and human safety, traceability and transparency in the industry need to be encouraged, which in big volumes is difficult unless the producers commit
Agricultural Products	Food Safety	Material Issue?	Corporations	Yes	If the agricultural product is directly consumed, food safety is paramount. This become less important the farther up the food chain the product is--i.e. grain is typically processed first whereas vegetables are typically moved directly into the consumer channel.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Food Safety	Material Issue?	Corporations	Yes	Food safety and traceability in a complex global food supply chain provides credibility and safety systems that can help get to the root causes and improve over time. For companies in this sector, knowing how a product is produced and trace it back to the supply chain is absolutely critical to provide customer assurance and reaction to adverse situations.
Agricultural Products	Food Safety	Material Issue?	Corporations	Yes	Food waste should be added to this; food waste is a huge issue and, if reduced, could be a huge help in feeding the hungry
Agricultural Products	Food Safety	Material Issue?	Corporations	Yes	see USDA GAP Regs
Agricultural Products	Food Safety	Material Issue?	Corporations	Yes	There are numerous examples of people getting sick from lack of food safety measures in place. Reputational harm to a company has serious consequences.
Agricultural Products	Food Safety	Material Issue?	Market Participant	Yes	As the sectors main inputs and outputs, food safety management is critical to avoid costly interruptions or recalls.
Agricultural Products	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Food safety presents an enormous risk to a company's reputation and can lead to expensive recalls.
Agricultural Products	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	The concept of food safety should be changed to food security according to FAO's definition. <a href="http://www.fao.org/docrep/005/y4671e/y4671e06.htm">http://www.fao.org/docrep/005/y4671e/y4671e06.htm</a>  Specific aspects such as affordability and access are critical for economic sustainability both at macro and microeconomic level.
Agricultural Products	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Especially with the updated FSMA rules, food safety both in the U.S. and globally is critical to the viability of a food business.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	For companies which grow or source commodities may be linked to deforestation this is important. Depending on the type of agricultural product, the green house gas emissions may be material and could potentially indicate a risk of energy price volatility.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	Inorganic fertilizers at the farm level can be one of the most important sources of GH and so can pesticides. It would be important that we try to minimize use of both at the farm level to have a greater positive impact.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	companies need to have a strategy, plan and timelines outlined and made public (emphasis on public since transparency equals accountability)
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	It's called climate change
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	Green house gases in their majority dont come from processing or transportation but from fertilizer, packaging and waste , wwf, fao, wri have good data
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	At a business level, the adaptation of metrics that are meaningful to production agriculture, and a system of sticks and carrots, has yet to be developed.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	GHG Emissions are not relevant to all types of agriculture
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	There has to be a set standard that everyone uses and that standard needs to be already in use by the majority. It will be meaningless if companies report out on emissions not at the equivalent scope or standard.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	GHG emissions contributing to climate change are an enormous global risk. However, GHG emissions at the producer and even manufacturer level do not result so much from the environmental changes. For sure, these risks exist in the form of severe weather and changing climate. However, these are long-term risks that will take decades to be felt. The more immediate risk is in the form of regulatory changes that may require significant changes to producers' and manufacturers' operations as well as customer or consumer preferences. Changes in consumer preferences could have enormous impacts on industries (e.g. finely textured beef/pink slime as an example) and their operations to the extent that some items could be "blacklisted." While the individual GHG emissions of products contribute to climate change in some small way, the more direct immediate risk is consumer and/or customer preferences as a result. Additionally, regulatory changes could have similar implications. There is another section on regulatory engagement where this topic could be covered.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	I do think this is relevant, but not sure it constitutes your definition of 'materiality'. Scopes 1 and 2 is where the industry is still focused. Depending on what the company is within agriculture, the biggest impacts could still be upstream in Scope 3. Thus, I'm not sure it will be easy to demonstrate materiality. All that said, the use of synthetic fertilizer, livestock emissions, etc. are all highly relevant, and should be disclosed - from a cost and environmental health perspective.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	Carbon Costing is a material input and risk into any industrial business model. See also the Van Hollen (H-MD) Carbon Dividend Bill, while I believe it pertains primarily to the energy vertical, it is reasonable to assume application for other high GHG industries.  Full Cycle Accounting for Coal  <a href="http://www.nexteraenergycanada.com/pdf/goshen/13_Consultation_Rpt_AppA8_1.pdf">http://www.nexteraenergycanada.com/pdf/goshen/13_Consultation_Rpt_AppA8_1.pdf</a>
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	Emissions management helps to manage regulatory risk but also emissions management linked to productivity and efficiency.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.sciencedirect.com/science/article/pii/S0961953409002402">http://www.sciencedirect.com/science/article/pii/S0961953409002402</a>
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://ccaafs.cgiar.org/bigfacts2014/#theme=mitigation&amp;subtheme=direct-emissions">http://ccaafs.cgiar.org/bigfacts2014/#theme=mitigation&amp;subtheme=direct-emissions</a>
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.unepfi.org/fileadmin/publications/cc/IPCC_AR5__Implications_for_Investors__Briefing__WEB_EN.pdf">http://www.unepfi.org/fileadmin/publications/cc/IPCC_AR5__Implications_for_Investors__Briefing__WEB_EN.pdf</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	At the end of the day, if it comes down to a choice of feeding people or limiting GHG emissions, the decision will be made to feed people regardless of GHG emissions. Further, global regulations around GHG emissions coming from agricultural production are limited and will continue to be limited until the measurement of emissions from non-point sources is more accurate and can be managed in a more cost-effective way.
Agricultural Products	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	<p>Greenhouse gas emissions are a hugely significant issue for the agriculture sector as a whole. However, from an investor's perspective, GHG-related risks and opportunities are highly variable and therefore are not unambiguously negative. For some energy-intensive companies - including processing and transport - the impacts of GHG regulation will be significant indeed.</p> <p>For crop production, the impact of GHG regulation will vary based on crop type, geographic region, regulatory environment, and so on. Some products may experience a significant negative financial impact resulting from regulations requiring GHG emissions reductions. However, for many crops, managing GHG emissions will have a neutral or even positive financial impact (e.g., from reduced or better managed fertilizer applications). And some crops may even be able to enhance financial returns by monetizing carbon offset credits; if future GHG regulations follow the lead of California's system, for example, agriculture would continue to be an "uncapped" sector, meaning that agriculture's GHG emissions are not regulated and agricultural producers can be compensated for voluntarily mitigating GHG emissions. The majority of GHG emissions from agriculture are nitrous oxide, and given that the global warming potential of nitrous oxide is 300 times higher than carbon dioxide, a price on carbon will enhance the value of agriculture assets which are able to reduce emissions. (Note: this perspective is a California-centric one - California is relatively insulated from the global GHG impacts of land use conversion because its specialty crops are not globally traded commodities.)</p>
Agricultural Products	Ind. Brief comment	Inaccuracy	Corporations	D.N.A. - Inaccuracy	More thought to demographics, labor recruiting in agricultural sector.
Agricultural Products	Ind. Brief comment	Inaccuracy	Corporations	D.N.A. - Inaccuracy	The information on pesticides tended to be very negative. The brief did not provide balanced information about any benefits of pesticides for helping to create a sustainable food supply to feed the hungry.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Ind. Brief comment	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Innaccuracy	<p>On page 4, the list of environmental externalities is incomplete. This is not surprising, as lists of externalities are often incomplete given the definition. That said, it is worth mention of erosion and soil loss, salinization and other externalities. Also on this page, the list of industry trends and the list of sustainability issues in the next column seem potentially redundant and could easily be merged into one list that addresses both points.</p> <p>On page 5, it seems appropriate to include mention of Scope 2 and 3 emissions as these can be significant for some agricultural operations. See previous comments on indicators for GHG emissions.</p> <p>On page 6, paragraphs 2 and 4 contain redundancies that should be eliminated.</p> <p>On page 7, the section on water does not distinguish between surface water and ground water use and the issues of concern in each case are very different. I recommend at least some distinction between the two water sources, in both your descriptive content as well as the indicators (see previous notes).</p>
Agricultural Products	Ind. Brief comment	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Innaccuracy	<p>the introduction mentions that "as large farms have adopted more intensive farming techniques that can increase environmental externalities" --&gt; small farms aren't necessarily more efficient</p> <p>Mention "consumers prefer organic food" yet acknowledge it's only .7% of land area --&gt; those 2 things seem at odds</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Agricultural Products	Ind. Brief comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	the briefing document felt a bit haphazard. There was lots of data points, many of which didn't seem critical to the question of materiality.
Agricultural Products	Ind. Brief comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	I think the research brief was extremely helpful, however, as most people being engaged are experts/experienced in this industry, possibly the brief could be shortened, with an appendix for those who are seeking additional information/background?
Agricultural Products	Industry insights	Add Issue	Corporations	Consumer Preferences	Consumer trends can have a material impact on a company's profitability. Trends such as reduced sugar intake or gluten free diets or concerns around high fructose corn syrup can shape consumer demand and affect prospects. Additionally, immediate consumer changes with regard to a product, ss we saw with the finely textured beef (pink slime) issue, can drastically impact a company's fortunes.
Agricultural Products	Industry insights	Add Issue	Public Interest & Intermediaries	Innovation	To feed 9 billion people on essentially the same amount of arable land requires increased productivity and that requires significant innovation
Agricultural Products	Labor Conditions	Add Issue	Corporations	Employee health, safety and well being	Fraught with danger.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Yes	Labor and slavery are key to responsible development, still part of the landscape in many developing economies. All small holders info review fao statistics
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Yes	See the previous answer (to the water question). Increasingly, the willingness to regulate labor conditions indicates that we might be nearing the top of the curve regarding labor abuse. When that is finally summited, everyone who is on the wrong side of the equation will be penalized by investors and consumers. IMHO, when it happens it will be very quickly.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Yes	Following ILO and UN conventions that prevent child and slave labor are one of the most important issues to be dealt with. It not only provides harmful effects on local communities but also is not seen as morally defensible in production as well as consumption countries.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Yes	to ensure fair wages for minorities and children (over the age of 14; to ensure working children are going to school and that their working conditions are appropriate for their age





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Yes	Even though agricultural production has become increasingly mechanized, many parts of the world still rely on farmers and laborers. In the U.S., many of these laborers are migrants and they are significantly impacted by other industries (i.e. construction) and immigration laws. Worker availability is a major factor for agriculture, because certain things need to be done at specific times in the season. If workers aren't there, crops won't be planted and/or harvested, etc., and this would have a material impact on the company.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Yes	Both labor conditions and sources of labor, as well as demographics in agriculture are all important.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Maybe	There are multiple forms of employment both on farm and off farm, and some have unions and some do not, plus the brokers as the third party to manage laborers for farmers are hard to track and provide materials.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Maybe	Labor conditions within a company's operations are material to its operations on a number of levels. The challenge arises with labor conditions within the supply chain from the producer (farmer) level to the manufacturer. Labor issues are important here as well, but the risks are different. The primary risk is reputational as evidenced by issues in Apple's supply chain and the negative press they have received. These issues are one step removed (sometimes more) from the company, and even the reputational risk is questionable in terms of the duration of an event. That said, bad actors in the supply chain are identified and punished in the marketplace.
Agricultural Products	Labor Conditions	Material Issue?	Corporations	Maybe	How will immigration status be handled??
Agricultural Products	Labor Conditions	Material Issue?	Market Participant	Yes	Inadequate labor conditions present a systemic risk for companies that can lead to interruptions in business activities due to strikes, for example, or exposés such as labor conditions in China for Apple's manufacturing.
Agricultural Products	Labor Conditions	Material Issue?	Public Interest & Intermediaries	Yes	Further supporting evidence on pesticide poisonings around the world (many producing products imported to US) can be found in this WHO document: <a href="http://www.who.int/bulletin/volumes/86/3/07-041814/en/">http://www.who.int/bulletin/volumes/86/3/07-041814/en/</a>
Agricultural Products	Labor Conditions	Material Issue?	Public Interest & Intermediaries	Yes	Labour conditions shall include the assessment of the supply chains and focus on where the risks really are, instead of setting limits within corporate borders.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Land Use & Ecological Impacts	Add Issue	Corporations	waste management	Is material part of the resource efficiency
Agricultural Products	Land Use & Ecological Impacts	Add Issue	Public Interest & Intermediaries	Soil loss	Erosion and other drivers of soil loss are also worth mention as individual topics rather than in a broader general topic.
Agricultural Products	Land Use & Ecological Impacts	Add Issue	Public Interest & Intermediaries	Nutrient loading	Nutrient loading (particularly nitrogen and phosphorus) are quite important aspects of agricultural industry sustainability and deserve mention as stand-alone topics moreso than within a broader topic.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Corporations	Yes	review landscape approach from world bank and REDD +, land use is one of the key issues of the future and becomes the origin of the majority of raw materials, to review impacts perhaps california is a good example on what mistakes in land use can cost, where the resources are not available
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Corporations	Yes	Same answer as the first question.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Corporations	Yes	Agricultural production depends on land - I'm not sure how it could not be relevant/material! The health of the soil is what determines the health of the land, the plant and ultimately the people who consume the product. As soil quality depreciates, companies need to increasingly rely on synthetic inputs to manage nutrients. Or worse, the land simply becomes barren and they need to find new sources. Company decisions on what to plant, where, how, etc. has profound implications to the company and surrounding communities.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Corporations	Yes	Certain chemicals and crops have impacts on future uses. Certain restrictions placed on land use at federal and local level have great future impact on uses of land.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Corporations	Maybe	Those are two separate functions and should not be combined. It's very difficult to assess where the boundaries start or end, for example, we have contract growers and those growers grow for multiple companies and multiple varieties which all require different ways of growing.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Corporations	Maybe	Land use is a critical concern in some supply chains (e.g. soy in Brazil), but they are regionally and crop specific. Of WWF's Global 200 ecoregions, only 19 are considered priorities for sensitivity. It is important to keep the specificity of the issue in mind along with mitigating practices when ascertaining a company's exposure to the issue. Again this is a long term issue with ties to climate change and biodiversity. Evaluating operations and supply chains in sensitive areas must be considered in the context of the overall companies operations to ascertain materiality. The immediate risks are primarily from a reputation, consumer/customer preference, and regulatory perspective. Long term risks are, of course, climate change and biodiversity loss.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Market Participant	Yes	Resource and Biodiversity recovery cycles need to be accounted for.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Market Participant	Yes	Long-term, this is a material issue and can also be a near term issue in some cases where, for example, an issue like land-grabbing or adverse environmental impacts attributed to the lack of oversight in environmental management, could do material reputational, license to operate, and/or financial damage.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	This report highlights impacts of agricultural nitrogen runoff into groundwater in California: <a href="http://groundwaternitrate.ucdavis.edu/">http://groundwaternitrate.ucdavis.edu/</a>
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://link.springer.com/article/10.1007%2Fs11367-013-0580-6">http://link.springer.com/article/10.1007%2Fs11367-013-0580-6</a>
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	The topic shall consider Aboriginal Land Rights. In certain regions that topic can affect the value of the assets owned and even revoke the license to operate in certain agricultural activities.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	The production of agricultural products inherently relies on the land and ecological systems to grow those products. Producing agricultural products in sensitive or vulnerable is putting the foundation of a business at risk.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	In the U.S., restrictions on the use of fertilizers and pesticides already represent a significant constraint and regulatory threat, owing primarily to the strength of U.S. environmental laws. Although historical regulation has not always been strong, significant landscape-scale impacts (including the Gulf of Mexico, Chesapeake Bay, and most recently Lake Erie) invite significant federal regulation. In my opinion, this regulatory threat will become more significant over time as water resources become more scarce and more tightly managed. Further, there are additional big-picture environmental issues - including groundwater contamination and loss of pollinators, to name two such issues - which could result in significant additional restrictions on the use of fertilizers and pesticides.
Agricultural Products	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.theconsumergoodsforum.com/strategic-focus/sustainability/board-resolution-on-deforestation">http://www.theconsumergoodsforum.com/strategic-focus/sustainability/board-resolution-on-deforestation</a> ; <a href="http://news.mongabay.com/2014/0127-storebrand-palm-oil.html">http://news.mongabay.com/2014/0127-storebrand-palm-oil.html</a> ; <a href="http://news.mongabay.com/2014/0306-norway-coal-investments.html">http://news.mongabay.com/2014/0306-norway-coal-investments.html</a>
Agricultural Products	Land Use & Ecological Impacts	Other Comment	Corporations	D.N.A. - Other Comment	It is a very complex sector, waste management needs to be taken into account as it pertains, resource efficiency including water and energy, but also food safety and land use
Agricultural Products	Management of the Legal & Regulatory Environment	Add Issue	Corporations	Financial Transparency	In addition to all the usual metrics around this topic, the movement of money to mask or enhance any of the above categories. Follow the money and much of the rest of the stories will be told.
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Corporations	Yes	Practices need to be documented, published, enforced and defended. This is the domain of this area.
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Corporations	Yes	Governance is key to land tenure and use and therefore agriculture and agribusiness on a global level industrial weighted average of tariffs is 8 percent vs around 25 for agriculture, this does not help trade or efficiency
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Corporations	Yes	regulatory environment in the food business can upset or provide new opportunities to business. An example may be the sugar taxes that are being added on carbonated drinks in Mexico, that has led to new risks and opportunities for players.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Corporations	Maybe	Just did not feel it is that material as long as they achieve desired results
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Market Participant	Yes	In the long-term, companies that manage the legal & regulatory environment proactively can be more flexible when the potential regulations do become mandated. For example, Intel had already been doing some tracing of "conflict" minerals before the actual regulation came online, thus the company was more prepared.
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Public Interest & Intermediaries	Yes	The metrics associated with the topic may only be relevant to certain investors (e.g., activist) who seek to influence the industry's engagement in public policy. However, this subset of investors would still qualify as a "reasonable investor" and I believe these metrics therefore would be considered material.
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Public Interest & Intermediaries	No	The legal and regulatory environment is slow to act and the current political environment in the US does not appear to be moving towards any radically new changes in the foreseeable future. Legislation, such as the Farm Bill, have been around for awhile and the changes made every five years aren't typically a shock to companies in the industry. In fact, they're the ones typically lobbying for certain changes in the first place.
Agricultural Products	Management of the Legal & Regulatory Environment	Material Issue?	Public Interest & Intermediaries	Maybe	This is an outcome not a cause.
Agricultural Products	Metric comment	Other Comment	Market Participant	D.N.A. - Other Comment	The research was high quality and diversified in source. I found it very helpful in augmenting my knowledge of pertinent factor in Ag Product, particular for water usage. It would be nice to see data on water resource levels and soil health as an effective SASB encouragement would be a vast reduction in pesticide use given the state of the aforementioned variable. Addition data on primary forests and of course recovery methods and timelines for both water and forest (including achieving diversity) could be compelling. Some data on the gross amount of regulatory action as well. Generally, very helpful research. Well done.
Agricultural Products	Metric comment	Other Comment	Market Participant	D.N.A. - Other Comment	GMOs and sources of seeds need to be included in the metrics.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>Taking a materiality lens to sustainability accounting is very useful and the overarching list of material issues identified in the brief are appropriate. However, I had the following comments:</p> <ul style="list-style-type: none"> <li>- The issues such as GHG emissions, land use &amp; ecological impacts are not clearly defined and there is an overlap in the narrative discussions and the metrics. Example, the brief states that "the majority of emissions in crop cultivation stem from land management practices, including fertilizer application, land clearing, and crop burning" yet land use and fertilizer application are impacts/indicators that are captured under the category of land use and ecological impacts. A clearer definition and description of each material issue is needed.</li> <li>- Many of the metrics are not aligned with the issue and getting data on many of these metrics will be challenging. In particular, the metrics for GHG emissions, land use and water impacts are not sufficiently thought through.</li> </ul>
Agricultural Products	New Angle	Add Issue	Market Participant	[FOOD SAFETY] + [LAND USE & ECOLOGICAL IMPACTS]	The increasing use of agrichemicals that breed resistance (at least in the US) poses serious problems for farmers that may raise costs of production.
Agricultural Products	New Angle	Add Issue	Market Participant	[FOOD SAFETY] + [LAND USE & ECOLOGICAL IMPACTS]	Issues like antibiotic resistance from over-use of antibiotics and fines for water pollution could result in a significant financial impact if not managed.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	New Angle	Add Issue	Public Interest & Intermediaries	Soil salinity [LAND USE & ECOLOGICAL IMPACTS]	This issue is of tremendous significance to agricultural production sustainability over time, particularly in the context of water resource management strategies. It is worth stand-alone mention moreso than potential, if not minimal, coverage within a larger "land use and ecological impacts" topic.
Agricultural Products	New Angle	Add Issue	Public Interest & Intermediaries	Public health [FOOD SAFETY]	Not sure how this fits in exactly, but we need larger quantities of healthier foods and I'm concerned the mega-companies might not be helping here ... and this ties to the food and beverage industry of course, but the ag companies must contribute to mitigating a US obesity epidemic and resulting health care cost impacts on the economy.
Agricultural Products	New Issue	Add Issue	Corporations	[TRANSPARENT DISCLOSURE & LABELING]	This might be covered under food safety - not sure. But is it loaded with organic fair trade sugar for example
Agricultural Products	New Issue	Add Issue	Corporations	[EMPLOYEE DIVERSITY & INCLUSION]	Agriculture is a heavily skewed male industry.
Agricultural Products	New Issue	Add Issue	Market Participant	[ENERGY MANAGEMENT]	(Quantitative) a ranking by product and method of energy in / kcal out EUI of base operation. EUI of chosen suppliers. Captured vs. Potential Efficiency. In some ways, efficiency metrics are embedded in the other categories.
Agricultural Products	New Issue	Add Issue	Public Interest & Intermediaries	[FOOD SECURITY]	I'm not sure if this fits the context of a separate topic, but I don't see it sufficiently captured at the moment, particularly in the interplay between biofuels and food ag. I'm not sure of the best way to note this profile, but it's an important issue that should get some attention here I think.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Agricultural Products	New Issue	Add Issue	Public Interest & Intermediaries	[FOOD SECURITY]	According to FAO, Food Security is a more inclusive term, which also involves other critical issues on the industry, beyond Food Safety and Inocuity
Agricultural Products	New Issue	Innacurac y	Public Interest & Intermediaries	D.N.A. - Innacuracy [FOOD SECURITY] + [LABOR CONDITIONS] + [SUPPLY CHAIN MANAGEMENT]	Food Security appears overlooked and the focus has been put in Food Safety. There are global supply chain issues which appear overlooked like Child Labour & Compulsory Labour (noted as a separate issue) and Aboriginal Rights. Exposure to non-tariff barriers to trade is a critical issue for global supply chains and could have a dramatical impact in companies' performance.
Agricultural Products	No action needed	Add Issue	Corporations	Stewardship	Companies should describe the stewardship training programs they have in place for their products and they numbers of people reached as well as the impact of the programs
Agricultural Products	No action needed	Add Issue	Corporations	Product lifecycle management	Shipping containers and production materials should be addressed, heavily intensive in industry
Agricultural Products	No action needed	Comment on Brief	Corporations	D.N.A. - Comment on Brief	need better directions but the directions weren' so bad either :)
Agricultural Products	No action needed	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	- What impact factors you considered and discarded - Where does animal husbandry fit? Assuming it's outside the scope of this working group but want to double-check.
Agricultural Products	No action needed	Innacurac y	Corporations	D.N.A. - Innacuracy	They are just to broad for Ag





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	SASB Approach	Other Comment	Corporations	D.N.A. - Other Comment	Not sure how small organization will fair in this - is it intended for large organizations only?



Agricultural Products	SASB Approach	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>I am including comments on principles in the orientation materials as well, since it was not clear where else to include those.</p> <p>Feedback on principles</p> <p>Prior to my review of the standards content, I reviewed the SASB principles on pages i-ii of the Orientation Packet. In that review, I noted some issues with regard to the principles themselves that were difficult for me to understand, and led to recommendations for critical review and potential revision of the principles themselves. While this was not a central objective of this stakeholder engagement process, I do want to convey those conclusions for any potential applicability to next steps.</p> <p>Principle 1 includes a potential contradiction, as it initially states standards must be applicable to all investors, then later that indications of materiality are across constituencies, presumably then including stakeholders who are not investors. I recommend either specifying materiality as only be pertinent from the investor perspective, as suggested by the Supreme Court definition, or retaining the language of applicability "across constituencies" but not both.</p> <p>Principle 3 requiring that expected benefits exceed perceived costs for standards issuance, has potential to negate the objective determination of materiality to sustainability issues. There are many instances in which an industry practice might have greater costs than benefits, particularly in cases wherein social or environmental externalities are included in the cost-benefit analysis. Those for which costs may exceed benefits, inclusive of externality consideration, are in many ways the most essential areas for standards. I would recommend either clarifying this principle to specify what is meant by "perceived costs," whether that includes social and environmental externalities, and if so then reconsideration of the principle overall given that it has potential to erode the overall rigor and accountability of the standards program overall.</p> <p>Principle 5 states that standards must be "easily verified" and this is relatively loose language to use in the context of standards. The notion that standards compliance should be "measurable, quantifiable when possible, comparable, replicable and auditable" is certainly a rational approach; however, these individual elements may not collectively constitute "easy"</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>verification. Moreover, in any instances where it may be difficult to precisely determine impact boundaries (e.g. air emissions, ground water impacts, or any non-point-source pollution, etc.) there is a case to be made for standards that push towards best practices from available compliance, even if voluntary. I recommend removing the word "easily" from the principle and also clarifying how the other conditions are objectively evaluated.</p> <p>Principle 6 states that standards should be "emphasizing material issues rather than value judgements" and this tends to contradict Principle 2 that states standards are focused on "value creation." Certainly the meaning can be distilled from this, that personal value-based judgement is less useful than objective evaluation of material issues. That said, this particular use of the word "value" is not specific enough as quantitative, objective and rigorous assessment of value, if not full monetary valuation, could be seen as "value judgement." I recommend clarifying that language to be more specific and allow for value judgements that are focused on assessment of net value creation, per earlier principles.</p>
Agricultural Products	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Human Rights [LABOR CONDITION S] + [SUPPLY CHAIN MANAGEMENT]	<p>While supply chain management and labor conditions both include aspects of human rights, I would recommend that this be broken out a separate material issue, or more clearly included in the two mentioned above. It should be of interest to investors and stakeholders what specific policies are in place to effectively manage human rights across the entire value chain such as - Code of Conduct that is aligned to leading human rights guidelines (e.g. UN Guiding Principles on Business and Human Rights), human rights due diligence/risk management, etc.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Fair and transparent trade	This involves trade practices and policies between large agro-business companies and primary producers of agricultural products. Specifically, this is referring to trade with small farmers and cooperatives/groups in developing countries. For example, Transparency in pricing and other purchasing practices; grievance mechanisms, and support of farmer organization are all important aspects of social sustainability not fully captured under the other topics. There is reputational risk for companies associated with unfair practices.
Agricultural Products	Supply Chain Management	Add Issue	Public Interest & Intermediaries	[LABOR CONDITION S] + [SUPPLY CHAIN MANAGEMENT]	Supply chain of food industry shall consider the sourcing challenges specifically on those topics. In my opinion these topics shall be explicit and not included under labour conditions. From an investor perspective these issues can affect the share value because of reputation impacts on brand value.
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Yes	Broken supply chains are common in developing economies, less intermediaries and access to market as well as infrastructure are key
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Yes	How is a product grown, how are the farming communities that grow and process the crop impacted by the venture are critical for long term sustainability of the business
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Yes	Supply chain management is critical to profitability in this industry. The margins in this industry are very thin (Cargill had revenues of \$135BN with earnings of \$1.87BN in FY 2014). Efficiency and supply chain management are the key competitive drivers for success.
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Yes	Knowing how a company sources and from whom is a major indicator for how it manages both opportunity and risk.
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Maybe	This is highly dependent on specific products. Some products are very international. Other products are much more localized. A company like Coca Cola has enormous supply chain exposure. A company like Frito Lay, not so much.
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Maybe	Suppliers range from 10 people strong to something the size of Archer Daniels. I think a materiality exception should be applied to supply chain management criteria to help companies prioritize their engagement.
Agricultural Products	Supply Chain Management	Material Issue?	Corporations	Maybe	Very difficult to administer



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Supply Chain Management	Material Issue?	Market Participant	Yes	In this sector environmental and social risks and opportunities may be higher in the supply chain.
Agricultural Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.tfa2020.com/index.php/about-tfa2020">http://www.tfa2020.com/index.php/about-tfa2020</a> ; <a href="http://www.rspo.org/news_details.php?nid=206">http://www.rspo.org/news_details.php?nid=206</a>
Agricultural Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="https://www.cdp.net/CDPResults/CDP-2011-Agriculture-report.pdf">https://www.cdp.net/CDPResults/CDP-2011-Agriculture-report.pdf</a>
Agricultural Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	Shouldn't this be captured under the other impact areas? Wouldn't it work better to use a scope 1, 2, 3 framework similar to what is done for GhG?
Agricultural Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	This doesn't seem all that unique to this sector, and it's not as it, like computers, the vast majority of the value of the product was produced/developed elsewhere (or like the auto industry). It's not that supply chain isn't important, it just doesn't seem particularly important to this sector.
Agricultural Products	Survey Comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	A paper copy of the survey questions would have been useful in order to get input from other colleagues with specific area expertise. A couple of the questions were outside my scope, and it would have been helpful to have a box marked "I don't know" or "N/A". Though not guaranteed, such box could increase the likelihood that people with the greatest knowledge on a particular subject are the ones answering those questions. Few have expertise in all areas. Other than that, I was impressed by the amount of research that went into the development of the brief and the quality of the information, indicators and survey itself.
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	Resource efficiency, resource management and stranded assets due to the lack of such will be on the forefront of the industry agenda. Wri (World Resource institute)
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	The international trade in agricultural products is largely the importing and exporting of water availability, labor conditions, and environmental regulations



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	There are a couple of tools that we have found useful including the Global Water Tool from WBCSD ( <a href="http://www.wbcd.org/work-program/sector-projects/water/global-water-tool.aspx">http://www.wbcd.org/work-program/sector-projects/water/global-water-tool.aspx</a> ) as well as the GEMI local water tool ( <a href="http://www.gemi.org/localwatertool/">http://www.gemi.org/localwatertool/</a> ) . Water is a very localized issue and ascertaining the water risk to an organization is exceedingly difficult. It is likely an issue where some operations and supply chains are exposed to higher level of water risk so one must evaluate the level of water risk as well as the overall materiality to the organization. In most cases, the water risk is not directed at the manufacturing facility, though it may be, but rather in the supply chain feeding raw materials to the facility. If the raw material producers (i.e. farmers) experience disruptions in water or raw material supplies begin to move further away from the facility, the facility may be at a cost disadvantage. The challenge is that each facility must be evaluated for such risks, and for large organizations, this presents a challenge. The tools listed assist in that effort, and they can provide details in areas of focus.
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	to ensure a safe drinking water supply and water availability for crop production is essential; recycling is a key component of this
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	It's called the California drought
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	Agriculture consumes the vast majority of freshwater. Therefore, its management of water resources is material. See your section on Water Management, p. 7.
Agricultural Products	Water Management	Material Issue?	Corporations	Yes	Very many water intensive crops. Also, crops not water intensive may require lots of water to mix and spray chemicals.
Agricultural Products	Water Management	Material Issue?	Corporations	Maybe	Water Management is different per location per farm per product. It can get very complicated.
Agricultural Products	Water Management	Material Issue?	Market Participant	Yes	Level of Aquifers will continue to be stressed by over use, high waste levels and pollution. Refilling takes 10-17 years of regular rainfall (Ogalala) and its reasonable to expect irregular distribution for most of the main aquifer reasons due to the current impacts of climate change.
Agricultural Products	Water Management	Material Issue?	Market Participant	Yes	Whether in direct operations or in the supply chain, water is a critical input in proper quality and quantities.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Coca-Cola plant was shut-down in India because it was accused of drawing down the aquifer at the expense of local populations. Significant license to operate risk in additions to the ones you outline. <a href="http://www.theguardian.com/environment/2014/jun/18/indian-officals-coca-cola-plant-water-mehdiganj">http://www.theguardian.com/environment/2014/jun/18/indian-officals-coca-cola-plant-water-mehdiganj</a>
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Demand for fresh water is continuing to increase for a variety of reasons, notably increases in population. As a result, the cost for water will increase and thus the cost of a primary input to agricultural production will rise.
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.pe-international.com/uploads/media/Water_Footprint_Water_use_in_Life_Cycle_Assessment.pdf">http://www.pe-international.com/uploads/media/Water_Footprint_Water_use_in_Life_Cycle_Assessment.pdf</a>
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	The topic is aligned with other initiatives like the UN CEO Global Water Mandate. <a href="http://ceowatermandate.org/">http://ceowatermandate.org/</a> Water footprint unevenly measured across the world, and investors are not necessarily aware of water stress in operational sites which can directly affect the yields.
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="ftp://ftp.fao.org/agl/aglw/docs/agricfoodwater.pdf">ftp://ftp.fao.org/agl/aglw/docs/agricfoodwater.pdf</a>
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	In addition to water management in general, it seems appropriate to include more distinct handling of surface water and ground water; the sustainability issues in each case are very different and warrant separate reporting standards. Also, it is important to include some consideration of salinity as it pertains to water resource management. See additional comment later in other section.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	<p>Water Management is affected by nearly all the industry trends and characteristics described in the SASB Agricultural Products industry brief. In particular, weather and precipitation patterns - in particular, inter-annual variations (i.e., drought) as well as long-term trends driven by climate change - increase the scarcity of water resources, driving up operating costs and often necessitating capital investment in water management equipment and technology. In rain-fed systems, rainfall is typically the most significant risk to yield in any given year. And in irrigated systems, water is often the most costly input and also the most volatile in terms of price and availability; for example, in California the typical price increase for water during the current drought is up to 400 percent. Moreover, agricultural water markets have historically been distorted by public subsidies, which are likely to diminish over time (resulting in cost increases for agricultural producers) for a variety of reasons.</p> <p>The impacts for Water Management are also important for some downstream entities, most notably food processors which are affected by both the quantity and quality of water resources.</p>
Agricultural Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	brief covers it nicely
Alcoholic Beverages	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	Very thorough survey.
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	The production of beverage alcohol, especially breweries and distilleries, requires both thermal and electrical energy. Changes in energy costs related to increases in fuel costs or additional governmental regulation could have a material financial impact. Additionally, if a facility is a large emitter in the community, there could be increased social pressure to reduce the direct GHG emissions.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	Please see our sustainability Report 2013 on why this is important:  <a href="http://sustainabilityreport.heineken.com/Reducing-CO2-emissions/index.htm">http://sustainabilityreport.heineken.com/Reducing-CO2-emissions/index.htm</a>
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	Energy is tied to climate change and is believed to be closely tied to some of the water and other issues (extreme weather events) being observed, therefore it can be viewed as material. Certainly from a cost standpoint, it is significant. It's hard to separate water and energy.
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	No	Energy Management & Greenhouse Gas Emissions may not constitute material information pertaining to companies in the Alcohol Beverage Industry because managing energy is part of our daily business management and cost savings. We always strive to cut costs and drive efficiencies in our business, which is standard for the industry. But even if we didn't manage our energy costs, it is unlikely that increasing fuel costs would be a material issue. As stated in our 2014 CDP Investor Questionnaire, "We have identified risks that affect the cost of energy/fuel, and to a lesser extent our supply chain. To put this in perspective financially, our cost of energy/fuel is about 1% of our total cost of operations, so the risk is considered low even without taking action. If the cost of energy/fuel was to increase by 15% and we did not manage this risk, then our operational cost could increase by \$2.4 million USD."
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	some larger companies start with EMAS and then move into other sustainability topics



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	No	Compared to many industries, I do not think that Brewing and Distilling are material contributors to greenhouse gas emissions
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	No	Energy is not among the most important costs to producers today.
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	refer to the Beverage Industry Environmental Roundtable (benchmarking report)
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	Climate change (GHG) is the critical factor here. Climate change will highly affect the agriculture industry
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	an indicator of cost management - how fluctuations in price would effect bottomline.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	No	Wineries in general do not meet California's cap (the only state with a cap on GHG emissions) indicating that they are not material. Other alcohol industries energy and GHG may be material. Energy efficiency and GHG are addressed by the Sustainable Winegrowing Program - <a href="http://www.sustainablewinegrowing.org">www.sustainablewinegrowing.org</a> and <a href="http://www.sustainablewinegrowing.org/docs/California_Wine_Executive_Summary.pdf">http://www.sustainablewinegrowing.org/docs/California_Wine_Executive_Summary.pdf</a> . Although hot spots have been identified in CA wine's carbon footprint, our relative contribution to US GHG emissions is negligible. Publicly traded wineries tend to participate in the Carbon Disclosure Project.
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	Energy & GHG varies significantly across the alcoholic sector product category fairly significantly, spirits, beer and wine have markedly different levels of materiality. See <a href="http://www.bieroundtable.com">www.bieroundtable.com</a> published reports on REsearch on Carbon Footprint of ...(various products)
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	For longer term investments, omitting such information has the potential to alter the mix of information. However, for most investors, who invest on short-term time horizons, I do not believe omitting such information would significantly alter the overall mix of information.
Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	x
Alcoholic Beverages	Ind. Brief comment	Inaccuracy	Corporations	D.N.A. - Inaccuracy	Generally the brief was helpful, but we would suggest that it take more of a global view to these issues, as much of the brief was very U.S. centric in its view/approach. We do appreciate that only the most material issues were included, vs. many other important, but not material topics. Also, it seems like the same companies were used as examples so not sure how representative the brief is.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Industry insights	Add Issue	Corporations	Taxes and Regulations	Alcoholic beverages industry is one of the most heavily taxed and regulated industries in the world, so therefore this has a significant impact on the business and therefore may be material to investors.
Alcoholic Beverages	Industry insights	Innaccuracy	Corporations	D.N.A. - Innaccuracy	We manage nonmaterial topics... just because the industry is has interest in a topic or is managing a topic does not make that topic material.
Alcoholic Beverages	Industry insights	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Innaccuracy	maybe not so much inaccuracies but huge bias to brewing and spiritis, wine noticeably lacking; as a result one cannot assume the same topics and metrics apply relevantly equivalent to all alcoholic categories.  Also limited number of representaive companies is troubling - they do not necessarily represent the full sector; sugggst broadening it.
Alcoholic Beverages	Metric comment	Innaccuracy	Market Participant	D.N.A. - Innaccuracy	As flagged, the standard measure of volume in drinks is hectolitres for beer, and cases for spirits - not metric tons
Alcoholic Beverages	Metric comment	Other Comment	Corporations	D.N.A. - Other Comment	Additional comments on the brief; Ambev is a part of AB InBev, not a separate company on its own, even though it has a separate stock listing. Page 5 - mentions beverage containers but what about secondary and tertiary packaging? Page 6 - where is scope 2? Page 8 - for water the focus should be in stressed areas. "Harvesting" is the wrong word in column 2, use agricultural production, barley is spelled wrong. Our water risk assessment process isn't portrayed right because we use an additional level, not just WRI. It's more than water scarcity, it's physical, regulatory and reputation risks.  We would be happy to do a call to answer any questions or clarify any points.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Alcoholic Beverages	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>Generally the "topic areas" defined are relevant with some reservations - note again some apply more to some categories of beverages than others.</p> <p>At the accounting metric level the fifteen metrics vary broadly in scope and granularity - this is very confusing and needs to be thought through more.</p> <p>Normalization of these types of data has been standardized in the industry to be against production volume (liters or hectoliters) suggest sticking to what already has been standardized by BIER and others.</p>
Alcoholic Beverages	New Issue	Add Issue	Corporations	[WASTE MANAGEMENT]	Looking at packaging life-cycle alone is short-sighted (and hopefully this definition includes recycling infrastructure efforts as well). In addition, investors will want the total footprint of companies to be sustainable, and that would include all waste in manufacturing facilities.
Alcoholic Beverages	New Issue	Add Issue	Corporations	[EMPLOYEE HEALTH & SAFETY]	Keeping employees healthy and safe is a vital part of HEINEKEN's values and behaviours. It has a direct effect on every employee's sense of engagement with their work and the Company, on our business performance and on the broader community
Alcoholic Beverages	New Issue	Add Issue	Corporations	[DIVERSITY & INCLUSION]	The alcohol sector is a heavily male dominated industry
Alcoholic Beverages	New Issue	Add Issue	Corporations	[EMPLOYEE HEALTH & SAFETY]	There are several necessary added chemicals and processes which pose risk for employees in the production process.
Alcoholic Beverages	New Issue	Add Issue	Corporations	[DIVERSITY & INCLUSION]	Not exclusive to just the alcoholic beverages industry, but I expect most companies to disclose this information.
Alcoholic Beverages	New Issue	Add Issue	Market Participant	[ECOLOGICAL IMPACTS]	eg hops (for beer): conserve biodiversity and restore ecosystems



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	New Issue	Inaccuracy	Corporations	[EMPLOYEE HEALTH & SAFETY]	Labor has a broader impact on the industry and was not really focused on.
Alcoholic Beverages	New Issue	Other Comment	Public Interest & Intermediaries	[ENERGY MANAGEMENT]	Scope 2 must be considered in the metrics.
Alcoholic Beverages	No action needed	Comment on Brief	Corporations	D.N.A. - Comment on Brief	We had a conversation with the research team to clarify issues.
Alcoholic Beverages	No action needed	Other Comment	Corporations	D.N.A. - Other Comment	Please let us know if you have any further question especially about responsible consumption
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Yes	See details on: <a href="http://sustainabilityreport.heineken.com/Reducing-CO2-emissions/Actions-and-results/Packaging/index.htm">http://sustainabilityreport.heineken.com/Reducing-CO2-emissions/Actions-and-results/Packaging/index.htm</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	No	<p>-- Not much water is used in packaging compared to agriculture. The energy inputs can be high but can be recovered through improved recycling and reuse programs. There are some new initiatives underway to improve recycling infrastructure and increase awareness in the US. Most companies are also working to lower material inputs and use materials with fewer impacts. Compared to water and energy, packaging life cycle is less material and harder to measure, and make comparisons.</p> <p>-- Packaging LCA is important but not sure it is material by the Supreme Court definition. The Brief mainly focuses on recycling beverage containers, which is only part of the lifecycle of packaging. End of life reuse and recycling depend on a variety of factors and are complicated. For example, in some instances it could take more energy to recycle glass if transportation distances are long. The brief doesn't mention secondary packaging and only briefly mentions reducing material inputs.</p> <p>-- The data is often estimated for LCAs so really hard to make comparisons. Most companies use similar packaging as well so innovations often happen industry-wide. Metrics and comparisons would be difficult. Comparisons can only be made if companies use the same tool and make the same assumptions and still, differences many not be relevant.</p> <p>-- We have internal processes to review new products and packaging for environmental and social issues (responsible drinking, responsible sourcing, environmental reviews, etc,). Systems already exist to manage changes. For example, we have marketing codes and codes of conduct, a human rights policy and a LCA tool. Management and Innovation are important to good outcomes in the other areas, but not material because each company will manage issues based on different factors - size, culture, geographic footprint, etc.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	No	Packaging Lifecycle is important, but we do not believe it rises to the level of materiality for the industry.
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Maybe	Beverage alcohol products are sometimes subjected to packaging regulations which limit the ability of primary packaging (i.e. the bottle) to be reused. Because of the different recycling regulations and infrastructure, it is difficult to produce a single package which can be fully recycled in all markets where it is sold. Again, end of lifecycle control is limited, as companies can only try to influence consumers to properly recycle beverage alcohol packaging.
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	recycling rate is important, Logistics and packaging possibilities are an important factor in circular economy
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Maybe	Difficulty in quantifying in a way that would provide meaningful metrics to compare against a benchmark and/or peers.
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	The beverage industry environmental roundtable has conducted a product category footprint - it could be helpful. It's posted on their website.
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	responsibility of all aspects of the product; lifecycle approach helps ensures public perception, stays ahead of regulatory requirements in various jurisdictions
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	No	Packaging Lifecycle Management & Innovation is already heavily integrated into winery's management decisions - including multiple variables such as consumer preference, quality issues and environmental issues. There is already a major trend towards light weighting and alternative packaging, and glass is a recyclable material.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	Packaging formats and material use vary significantly across the alcoholic sector category of products; generally not comparable from one to the next. Metrics are real challenge.
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	This issue is becoming increasingly important in the eyes of many stakeholders, but considering current investor time horizons, it would not be material for most investors.
Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	x
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Corporations	Yes	Thirteen companies in the industry have made commitments in 5 key areas of Responsible Drinking over 5 years. We, and our investors/shareholders, consider this to be material information. <a href="http://www.producerscommitments.org">www.producerscommitments.org</a>
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Corporations	Yes	Please see our sustainability report 2013 on why this is important:  <a href="http://sustainabilityreport.heineken.com/Advocating-responsible-consumption/index.htm">http://sustainabilityreport.heineken.com/Advocating-responsible-consumption/index.htm</a>  HEINEKEN has a long history of encouraging responsible consumption and we take this role seriously. For us the goal is to make moderate, responsible consumption aspirational. We know that when brands communicate directly, the message resonates more strongly with consumers.
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Corporations	Yes	Promoting responsible drinking and ensuring responsible marketing of our products are longtime commitments of our company, as well as our industry. These actions are expected by our consumers, investors, regulators and other key stakeholders. The industry is working proactively and collectively on these issues. As an example, the leading global companies have jointly committed to additional work in this area. Please see <a href="http://www.producerscommitments.org/pdf/Reducing%20Harmful%20Use%20of%20Alcohol.pdf">http://www.producerscommitments.org/pdf/Reducing%20Harmful%20Use%20of%20Alcohol.pdf</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Corporations	No	Responsible Drinking and Marketing is an important social responsibility issue for our industry, but it does not rise to a level of a financial risk to the industry. Thus it is a regulatory compliance issue, and not material.
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Market Participant	Yes	The most widespread scrutiny of the industry relates to the social impact of alcohol
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Market Participant	Yes	protect youth: often companies require to input birth date when accessing their homepage: eg <a href="http://www.prazdroj.cz/">http://www.prazdroj.cz/</a>
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Market Participant	Yes	Need to address growing public perception of link between soft drink consumption and obesity.
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Market Participant	Maybe	While I believe Responsible drinking is a requirement for alcoholic beverages, and believe that they face reputational risk associated with reckless drinking, I am not 100% confident that excluding responsible drinking marketing will have a financial negative outcome for these companies. At the end of the day, people are going to drink and the "bad press" will be only temporary for the Company being targeted.
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	Yes	It is material, but i am not qaulified to discuss deasibility and applicability of identified Accounting Metrics subsequently
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	Yes	This is the critical social issue for alcoholic companies. it's not only important to consumers, it allows them to manage the issue with less regulation
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	Yes	social license to operate. If public trust in the industry is eroded significant impact on sales
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	No	I do not believe that omitting this information would significantly alter the mix of information to an investor.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	No	The wine industry is already heavily engaged in responsible drinking and has a Code of Advertising that addresses all forms of marketing. This area is also heavily regulated by federal and state laws in the US. (e.g., Health Warning Statement 27 CFR Part 16 ( <a href="http://www.ttb.gov/wine/wine-labeling.shtml">http://www.ttb.gov/wine/wine-labeling.shtml</a> ); CA Dept. of Alcoholic Beverage Control licenses and requirements: <a href="http://www.abc.ca.gov/">http://www.abc.ca.gov/</a> )
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	Maybe	While I believe responsible drinking and marketing is material to alcohol companies from a non-SEC materiality definition stand point, I think there's less of a direct financial impact as opposed to the other ESG topics proposed. I do not believe the exclusion of responsible drinking programs from a 10k would impact investor decision making. I recognize irresponsible drinking may impact industry reputation, but generally it's not a specific company's reputation that's impacted it's the entire industry. Therefore, any negative connotations with irresponsible drinking would theoretically impact the broad industry vs. one specific company. So if an investor was looking in to which company to invest in within the industry, clearly they are not concerned with the reputation that may be aligned with the industry and the possibility of irresponsible drinking.
Alcoholic Beverages	Responsible Drinking & Marketing	Material Issue?	Public Interest & Intermediaries	Maybe	x
Alcoholic Beverages	Supply Chain Management	Add Issue	Corporations	Sustainable Sourcing	Within the beverage industry we use a lot of agricultural products. The water consumption of these products is much bigger than the water consumption of any brewery. On top we also need to address social and biodiversity topics in these sectors. All together we have called this Sustainable Sourcing. Sustainable sourcing makes a real contribution to both poverty reduction and food security.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Yes	See the link below: 1. Sustainable Sourcing: <a href="http://sustainabilityreport.heineken.com/Sourcing-sustainably/index.htm">http://sustainabilityreport.heineken.com/Sourcing-sustainably/index.htm</a>  2. Reducing CO2 emission: <a href="http://sustainabilityreport.heineken.com/Reducing-CO2-emissions/index.htm">http://sustainabilityreport.heineken.com/Reducing-CO2-emissions/index.htm</a>
Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Yes	This is where most of the water is used (agriculture part of supply chain) and a good portion of energy, so high business and environmental risks but also opportunities. Managing inputs is key to the business. Also, this is where there may be social compliance concerns.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Yes	bb
Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	No	Supply Chain management is important but we do not believe it rises to the level of materiality for the industry. We have evaluated our key suppliers and have not discovered material risks with respect to our supply chain. While some suppliers have manufacturing sites that may face risk, we have created options and redundancies for sourcing our supplies from other manufacturing sites or alternate suppliers that are not located in water stressed regions. We do not rely heavily on any one particular supplier in a particular region that may be subject to risk.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Maybe	While I do think supply chain management is a good topic for disclosure, in many instances, it is an area where companies exert little to no influence. For example, making demands on farming practices when you buy less than 1% of an agricultural product would be next to impossible.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Market Participant	Yes	regional supply chains; high standards for food productions are in place
Alcoholic Beverages	Supply Chain Management	Material Issue?	Market Participant	Yes	Until we see more vertical integration within the industry, Supply Chain management will be key to an operationally efficient enterprise.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Env. footprint for most all beverages is dominated by the supply chain aspects/activities - agr., pckg. materials processing, etc.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	related back to issues of packaging and water supply; dependable, reliable sources ensure stable supply of product.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	No	This is dependent on what commodities are sourced - so may be relevant for many companies, but omitting the information would not necessarily alter the mix of information for ALL companies.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	No	While some supply chains are unknown, wine is relatively simple and highly regulate through US TTB rules and regulations. The Sustainable Winegrowing Program, which is a supply chain sustainability program.
Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	x
Alcoholic Beverages	Survey Comment	Comment on Brief	Corporations	D.N.A. - Comment on Brief	I was not aware of the research brief, just an orientation guide.
Alcoholic Beverages	Survey Comment	Innaccuracy	Corporations	D.N.A. - Innaccuracy	N.A. since I was not aware of it.
Alcoholic Beverages	Survey Comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	This feedback is from my own perspective, however, I would have liked to have had more time to be able to provide additional input from wine producers. While I understand the survey format for collecting data, I would prefer to have a conversation to be able to ask additional questions and to provide feedback that does not conform to the survey format. I also made many "guesses" to responses - not a clear answer for any of these questions!
Alcoholic Beverages	Survey Comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	A minor suggestion is to expand the comment boxes as it's difficult to read everything that's written. Another suggestion is to label the metrics (1, 2, 3) so when participants are providing feedback in one box across several metrics, it's easier to identify which metric the comment relates to.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Water Management	Material Issue?	Corporations	Yes	All beverage alcohol products include water as the single largest ingredient. Ensuring that water is available in sufficient quantities, and at required quality, is critical for beverage alcohol producers. Additionally, water availability can impact the cost and quality of agricultural products that are the primary raw materials for beverage alcohol.
Alcoholic Beverages	Water Management	Material Issue?	Corporations	Yes	Please see our sustainability report 2013 on why this is important:  <a href="http://sustainabilityreport.heineken.com/Protecting-water-resources/index.htm">http://sustainabilityreport.heineken.com/Protecting-water-resources/index.htm</a>
Alcoholic Beverages	Water Management	Material Issue?	Corporations	Yes	Water is key to every aspect of brewing, both direct-inside our walls and indirect-across our raw material supply chain. We map water risk in both areas and set actions plans to manage risks.
Alcoholic Beverages	Water Management	Material Issue?	Corporations	Yes	bb
Alcoholic Beverages	Water Management	Material Issue?	Corporations	No	Although water management is our most important environmental sustainability initiative, it does not rise to the level of materiality. While water issues may exist in particular regions in which our operations are located, no water issues have stopped production or otherwise significantly impacted the business. As an agriculturally-based company, monitoring local water conditions and usage are fundamental components of our daily operations with facility management encouraged to be actively involved at a local/regional level on water-related issues (e.g., watershed committees, industry associations, community groups, etc.).
Alcoholic Beverages	Water Management	Material Issue?	Market Participant	Yes	Water is a main ingredient of beer, etc
Alcoholic Beverages	Water Management	Material Issue?	Market Participant	Yes	Water Scarcity is a Real Issue that will only become more front and center as the population increases and improvements of life are seen in the more impoverished regions of the world. Water is a scarce resource that needs to managed effectively.
Alcoholic Beverages	Water Management	Material Issue?	Market Participant	Yes	Since most of the industry's future growth is tied to the establishment of production facilities abroad, the industry's ability to source water in the regions is critical.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	It is predominant ingredient in product and ag. dependent ingredients have large water dependency.
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	It is a primary ingredient to the end product, but water is also crucial in the supply chain for the agriculture products
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Refer to the Beverage Industry Environmental Roundtable for water accounting and benchmarking reports.
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	related to supply chain; the product depend of reliable source of water; failure to take into account access to water speaks to long-term viability
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	No	Water is an important issue for the wine industry; however any material issues related to water would already be required in filings. Also water use efficiency is a major industry-wide effort in CA's wine industry (see <a href="http://www.sustainablewinegrowing.org">www.sustainablewinegrowing.org</a> , <a href="http://www.sustainablewinegrowing.org/swpworkbook.php">http://www.sustainablewinegrowing.org/swpworkbook.php</a> ; <a href="https://metrics.sustainablewinegrowing.org/">https://metrics.sustainablewinegrowing.org/</a> ; <a href="http://www.wineinstitute.org/winerywaterguide">www.wineinstitute.org/winerywaterguide</a> .) Also, drip irrigation is used in approximately 85% of vineyards.
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Maybe	Omitting this information would only alter the mix of information to an investor IF the company has manufacturing facilities in water scarce or stressed regions. Otherwise, omitting such information would not alter the mix of information.
Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Maybe	x
Household & Personal Products	Congratulations	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	complete research and sound metrics.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Ind. Brief comment	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	This is a comment that goes beyond this particular brief. There are some issues that may not be endemic to the industry, but are relevant and material to all businesses. In particular climate change risks. I am struggling conceptually to understand why climate change risks, executive compensation, business ethics and corruption, shouldn't be part of the consideration set in this survey.
Household & Personal Products	Ind. Brief comment	Innaccuracy	Corporations	D.N.A. - Innaccuracy	Page 9 - Walmart chemical policy - you should confirm with Walmart the intent of their policy - in my opinion it is not to "ban" a list of substances.
Household & Personal Products	Ind. Brief comment	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Innaccuracy	Page 1, 2nd para: "Procter" is misspelled; see also Endnotes/ References 1, 5 on page 19.  Endnote/ Reference 93 on page 22, "Bioplastic" appears to have a typo





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Ind. Brief comment	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Innaccuracy	<p>Company name Procter &amp; Gamble is spelled incorrectly throughout the brief. A strong proof-read is needed before finalizing.</p> <p>Page 9: information related to Walmart chemical policy needs updating.  <a href="http://news.walmart.com/news-archive/2013/09/12/walmart-highlights-progress-on-the-sustainability-index">http://news.walmart.com/news-archive/2013/09/12/walmart-highlights-progress-on-the-sustainability-index</a></p> <p>Page 3-4: Paragraph related to chemical disinfectants provides a simplified view of the issues regarding the consumer use of these chemicals and potential human health and environmental impacts. References should point to peer reviewed journal articles, government information, and bill language rather than rely on new articles.</p> <p>FDA: <a href="http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm205999.htm">http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm205999.htm</a></p> <p>Minnesota:  <a href="https://www.revisor.mn.gov/laws/?year=2014&amp;type=0&amp;doctype=Chapter&amp;id=277&amp;format=pdf">https://www.revisor.mn.gov/laws/?year=2014&amp;type=0&amp;doctype=Chapter&amp;id=277&amp;format=pdf</a></p> <p>EU:  <a href="http://ec.europa.eu/health/scientific_committees/opinions_layman/triclosan/en/links/index.htm#content">http://ec.europa.eu/health/scientific_committees/opinions_layman/triclosan/en/links/index.htm#content</a></p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Ind. Brief comment	Other Comment	Corporations	D.N.A. - Other Comment	Research brief is well written - concise and compelling. My only suggestion re. the "value impact" section might be to shore up the data regarding opportunities to create advantage (price, share, etc.) with customers/consumers using social and environmental positioning. These claims feel like they need some substantiation or additional case studies to be credible.
Household & Personal Products	Ind. Brief comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	My overall feeling is that the information found in the brief is good but in need of restructuring around the key issues. The four material issues listed do not appropriately represent the issues and risks found in this sector. In some places the descriptions portray a very simplistic picture of the issues, though the issues themselves are very complex. This has also led to metrics that only partially provide the information an investor may need. A deeper understanding of the potential risks and impacts is needed in order to have useful, targeted metrics.
Household & Personal Products	Industry insights	Other Comment	Corporations	D.N.A. - Other Comment	The inclusion of Kimberley-Clark (KMB) in Appendix I seems at odds with the household and personal care characterization of this study. KMB is stronger in paper and pulp products which have a very different sustainability profile than household care and personal care products. Perhaps KMB should be replaced with SC Johnson, Phoenix Brands, Sun Products, Church & Dwight, L'Oreal, or another company more identifiable as a household and personal care products manufacturer.



Household & Personal Products	Metric comment	Other Comment	Corporations	D.N.A. - Other Comment	<p>General Comments:</p> <p>Suggest climate change as a substitute for water management as a topic.</p> <p>Businesses have a vital role to play in mitigating climate change. Suggest a section on climate change policy and energy and carbon management. Consider requiring companies to discuss their policy and actions to improve energy efficiency in manufacturing and reduce greenhouse gas emissions. Consider asking if companies disclose to CDP, a leading organization in assessing industry climate disclosure and performance, and requiring companies to disclose their CDP score and performance band.</p> <p>Further, from an ESG stakeholder point of view, climate change would be considered important, but would not be considered material from a financial point of view unless there was a significant climatic event that disrupted business operations or the supply chain for an extended period of time.</p> <p>Additional comments:</p> <p>Need to remember that many companies who disclose to SEC are operating globally. Need to define if metrics apply to U.S. operations or globally, especially when using U.S. standards and definitions.</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>Need to be clear in definitions to remain objective and leave little room for interpretation.</p> <p>Efforts to collect and audit data will add significant cost. To the extent possible, metrics should align with leading standards and existing programs such as GRI, CDP, The Sustainability Consortium, etc.</p> <p>Suggest that metrics need to be provided in context of an overall sustainability report as context is generally needed in order for investors to properly assess a company's sustainability progress and vision.</p> <p>Given assumptions involved in calculating some of these sustainability metrics, recommend the third-party validation approach, which is leading industry practice, as per CDP, etc.</p>
Household & Personal Products	New Issue	Add Issue	Corporations	[PRODUCT LIFECYCLE MANAGEMENT] + [SUPPLY CHAIN MANAGEMENT]	Water use by suppliers (the same metrics) and use phase water use (more to do with product stewardship) are as critical, if not more, than water management in direct operations.
Household & Personal Products	New Issue	Add Issue	Corporations	[RESOURCE EFFICIENCY]	Consumer goods companies should be accountable for reducing the environmental footprint (energy; GHG; Water; Waste to landfill) of their owned and controlled manufacturing operations



Household & Personal Products	New Issue	Add Issue	Corporations	<p>Greenhouse Gases and Climate Change</p> <p>[PRODUCT LIFECYCLE USE MANAGEMENT] + [GHG EMISSIONS &amp; ENERGY MANAGEMENT]</p>	<p>Deforestation contributes up to 15% of total global greenhouse gas emissions, and deforestation linked to palm oil, soy, beef, paper and pulp are major drivers (soy and beef are relevant to the Food industry and therefore not this specific paper addressing Household and Personal products).</p> <p>Unilever calculates the total greenhouse gas footprint of the product portfolio across the full value chain. The sourcing of our raw materials accounts for about a quarter of our value chain impacts (addressed by SASB in the Supply Chain Management topic), while people using our brands at home accounts for over two thirds. Heated water for showering and washing hair are the most material impacts in our value chain GHG footprint.</p> <p>The greenhouse gas impacts from manufacturing and logistics constitute only a small part of our total value chain impact and Unilever continues shaping manufacturing and distribution operations through energy efficiency, renewable energy use and reducing emissions in our global logistics network.</p> <p>The SASB research brief addresses the greenhouse gas impacts from logistics within Packaging Lifecycle Management and Innovation and the sourcing of materials such as palm oil and paper and pulp within Supply Chain Management. The SASB brief doesn't appear to address the greenhouse gas impacts from the consumer use of household and personal products which is a material part of the overall value chain impact for companies in this industry. Unilever views the full greenhouse gas impact from sourcing, manufacturing, logistics and consumer use as a separate material issue to address in the household and personal product industry. We note that SASB has done this for other industries such as non-alcoholic beverages, processed foods, meat, poultry and dairy, agricultural products but having not reviewed SASB's definition of "Energy Management and Greenhouse Gas Emissions" appreciate that SASB uses different classification of greenhouse gas impacts.</p> <p>Refer to our website for further details on our approach to Greenhouse Gases and Climate Change:</p> <p><a href="http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/greenhouse-gases/">http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/greenhouse-gases/</a></p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	New Issue	Add Issue	Corporations	Fairness in workplace [WORKING CONDITION S] + [SUPPLY CHAIN MANAGEM ENT]	Unilever views “fairness in the workplace” as a material issue to be addressed separately from Supply Chain Management.  Fairness in the workplace is about respecting and, where necessary, protecting the rights of all those who work with us, in our own operations and our extended supply chain, to remedy abuses when they are identified and working to improve practices.  Unilever uses The Guiding Principles on Business and Human Rights (unanimously endorsed by the UN Human Rights Council in 2011), which provide the global standard for businesses, to drive action in this area and thereby drive sustainable growth faster and remove barriers to progress.  Refer to our website for further details on our approach to Fairness in the Workplace:
Household & Personal Products	New Issue	Add Issue	Corporations	[GHG EMISSIONS & ENERGY MANAGEM ENT]	Energy tends to be one of the top input costs for the sector. As climate legislation increases through time, there is likely to be a cost impact, short of additional innovation in alternative sources.
Household & Personal Products	New Issue	Add Issue	Corporations	[GHG EMISSIONS & ENERGY MANAGEM ENT]	A sector big enough to generate \$465 billion in annual revenue in the US alone can influence the quality of energy sources significantly. The burden of GHG mitigation cannot rest solely on energy producers. Catastrophic climate change can affect this sector as significantly as it can affect all commercial activity. There needs to be 'extender consumer responsibility' for energy.
Household & Personal Products	New Issue	Add Issue	Market Participant	[PRODUCT LIFECYCLE MANAGEM ENT]	I am thinking of things like parabens and SLS in cosmetics, aluminium in deodorants, etc. all proven or suspected carcinogens.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	New Issue	Add Issue	Market Participant	[GHG EMISSIONS & ENERGY MANAGEMENT]	These companies usually have large manufacturing operations that are energy intensive. Should carbon be priced, these companies would be exposed to increased costs.
Household & Personal Products	New Issue	Add Issue	Public Interest & Intermediaries	[WASTE MANAGEMENT]	Many companies in this space are perusing targets around reducing manufacturing waste through the creation of zero waste to landfill facilities. This may provide a competitive advantage to a company choosing to go down this path as it can reduce cost, reduce risk, decrease hazardous materials, and provide resilience against potential waste policies in the US and abroad.
Household & Personal Products	New Issue	Add Issue	Public Interest & Intermediaries	[GHG EMISSIONS & ENERGY MANAGEMENT]	GHG emissions are an important marker of a company's environmental performance, and are relevant to sustainability reporting in this industry. Beyond supply chain management, SASB should consider whether consumer products companies should be tracking GHG emissions of their suppliers to monitor performance and provide a larger picture of the company's environmental footprint.
Household & Personal Products	New issue	Add Issue	Public Interest & Intermediaries	[GHG EMISSIONS & ENERGY MANAGEMENT]	Direct and indirect energy consumption.
Household & Personal Products	New Issue	Add Issue	Public Interest & Intermediaries	[GHG EMISSIONS & ENERGY MANAGEMENT]	Energy in the form of electricity is vital to the manufacturing process of the industry. Electricity tends to be reliant on coal power generation or natural gas. Firms including P&G and SC Johnson have made commitments to increase their usage and investment in renewable energy. Continued pressures are expected in this area as GHG emissions are further regulated.
Household & Personal Products	New Issue	Add Issue	Public Interest & Intermediaries	[GHG EMISSIONS & ENERGY MANAGEMENT]	Companies need to disclose that they are measuring and making at least some effort to reduce their own carbon footprint. Not doing so will increasingly be a material reputational risk. This is less of an issue in this industry than many others, but it's material nonetheless.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	No action needed	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	This submission is on behalf of Amanda Kraus & Kristin Sterling.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Innaccuracy	Corporations	D.N.A. - Innaccuracy	<p>We believe there was some misinterpretation within the Waste and Product Lifecycle Management section.</p> <p>Misrepresentation of aim of Bioplastic Feedstock Alliance (BFA):</p> <ul style="list-style-type: none"> <li>• This is stated as “In 2012, a collection of large consumer-facing firms, including P&amp;G and Unilever, joined with the WWF to form the Bioplastic Feedstock Alliance. The organization’s aim is to support the creation of new technologies to make a plastic substitute entirely from plant matter.”</li> <li>• On the BFA website it is stated that the BFA seeks to evaluate the diversity of potential bioplastic feedstocks using state of the art science to ensure a common understanding of current and potential future sustainability improvements that each may offer. We will continuously monitor their development against our expectations for improvement and help drive positive change at scale. Only in this way can we have confidence that bioplastics will deliver the progress we hope for.</li> <li>• So this is not about technology development, but rather the development/adoption of scientific metrics and indicators to evaluate a specific feedstock within a specific geographical area and to compare that to another feedstock.</li> </ul>





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Yes	<p>The SASB highlights the following areas and externalities coming under scrutiny from the public, where consumers are demanding more sustainable packaging. The SASB brief considers the following trends in sustainable packaging:</p> <ul style="list-style-type: none"> <li>- light-weighting of existing packaging</li> <li>- higher levels of recycling and use of recycled content</li> <li>- use of sustainably sourced materials</li> <li>- greater logistical efficiency</li> </ul> <p>Unilever’s waste and packaging strategy focusses on the reduction of post-consumer waste associated with packaging in response to the risk of resource scarcity, which is measured by our Waste footprint metric. This is mainly achieved through light-weighting, increasing recycling and recovery rates and increasing the use of recycled content which we measure as separate metrics and is consistent with SASB’s approach however Unilever also sees opportunity in developing a circular economy approach to tackling the challenges in these areas.</p> <p>Unilever also addresses the risk of resource scarcity in packaging through sustainably sourced materials where the metric measures the amount of both certified and recycled materials used in packaging. This is measured within the Sustainable Sourcing pillar of the Unilever Sustainable Living Plan as opposed to the Waste metric.</p> <p>Logistical efficiency is measured by Unilever within the Greenhouse Gas pillar.</p> <p>Refer to our website for further details on our approach to Waste:  <a href="http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/waste-and-packaging/">http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/waste-and-packaging/</a></p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Yes	Extended producer responsibility on packaging waste is becoming more common in all geographies and will only increase the financial burden associated with this aspect of business.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	No	From an ESG stakeholder point of view, packaging lifecycle management would be considered important, but would not be considered material from a financial point of view unless there was a significant event of a packaging integrity or quality issue that was unable to be effectively addressed, and that resulted in significant financial liabilities or business interruption for an extended period of time.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Maybe	Any aspect of the management of a business is material if it has impact on the financial performance of a company AND circumstances external to the company create an increased level of risk. Jurisdictions such as Ontario, Quebec, and British Columbia are attaching financial liability to companies whose packaging adds to the waste stream. Although this is not an immediate concern, as municipalities and other jurisdictions seek to recover the costs municipal waste, companies will increasingly face a liability.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Maybe	I agree that packaging is an important topic for companies to be focusing on, but using your definition of materiality, seems like primary driver for listing would be potential for new EPR fees on packaging in the US. Since entire industry would be affected, and personal experience (no data) is same basic material types are being used across the industry, I wonder if the differential in fees paid across major competitors would really be significant (e.g. all companies would have to pay new fees, but would difference in fees across companies really be material?) In addition, important to view packaging in lifecycle context (what if I use more packaging (or non-recyclable packaging) but my shelf life is 2X, or product protection/consumer safety if better?) Ultimately agree that it is a relevant topic that investors may be interested in, and in theory an innovation that significantly reduces packaging costs could be relevant so agree with its listing.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Maybe	The sector is continuously improving (reducing packaging, lightweighting, optimizing cube fill, etc.) in this area as a result of cost savings initiatives, which are balanced with efforts to maintain product quality at shelf. In addition, as secondary materials become more valuable, recovery rates are improving organically.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	There is too much waste in packaging. Additional thought needs to be devoted to factors other than convenience for the consumer. Companies can do a great service with innovative ideas and with education of their customer base and supply chain partners.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	Waste regulations, particularly related to extended producer responsibility (see work by Conrad McKerron at As You Sow).  <a href="http://www.asyousow.org/ays_report/unfinished-business-the-case-for-extended-producer-responsibility-for-post-consumer-packaging/">http://www.asyousow.org/ays_report/unfinished-business-the-case-for-extended-producer-responsibility-for-post-consumer-packaging/</a>
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	Increasing pressure to apply Extended Producer Responsibility (EPR) on packaging <a href="http://www.hks.harvard.edu/var/ezp_site/storage/fckeditor/file/pdfs/centers-programs/centers/mrcbg/publications/awp/Nash_Bosso_2013-10.pdf">http://www.hks.harvard.edu/var/ezp_site/storage/fckeditor/file/pdfs/centers-programs/centers/mrcbg/publications/awp/Nash_Bosso_2013-10.pdf</a>
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	Potential cost savings given rising price of petroleum derivative products within packaging. Innovation is key in gaining share and driving growth
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	This is important for the industry because most of the companies are exploring how they make their products attractive for consumers with substantial volume of packages. At the same time, they are making effort to reduce the waste volume of packaging investing R&D in order to reduce environmental impacts and maintain their reputation.
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	Packaging per se adds no value to the product it contains. Producers have an affirmative responsibility to minimize the amount of primary and secondary packaging their products require, to source these materials they use responsibly, and minimize in-process waste.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	<p>High Public awareness</p> <p><a href="http://www.mcdonough.com/speaking-writing/the-cradle-to-cradle-alternative/#.U-PrH2NQHu0">http://www.mcdonough.com/speaking-writing/the-cradle-to-cradle-alternative/#.U-PrH2NQHu0</a></p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	<p>The brief describes many separate issues related to packaging within this disclosure topic. I would recommend these be separated into their own distinct disclosure topics. For example both the issue of high GHG emissions related to transportation and the issue around packaging recyclability and potential threat of EPR legislation are found under this topic. I agree that both these issues are materiality but believe they should be identified individually rather than bucketed under packaging innovation. Packaging innovation is merely one way to achieve progress on both of these issues. I would recommend the first issue be covered under a disclosure topic around fuel management and transportation. The second issues could remain under packaging life cycle management or something similar.</p> <p>Revised Topic: Transportation</p> <p>Transportation phase as a major source of GHG emissions.</p> <p>This disclosure should focus on innovative ways companies can reduce transportation related GHG and dependence on oil prices. Examples would include: light-weighting packaging, upgrading fleet, reducing transportation distances, increasing packaging efficiency, using alternative energy sources. <a href="http://www.industryweek.com/blog/amazon-gets-close-and-personal-pg">http://www.industryweek.com/blog/amazon-gets-close-and-personal-pg</a></p> <p>Revised Topic: Packaging life cycle use impact</p> <p>This topic should focus on the significant impact the disposal of product packaging has on the environment. This would include both the trend toward using recycled material and ensuring a product package can be recycled at end of life. The increasing threat of extended producer responsibility could have a significant impact on companies not taking recyclability into account or working to increase the rate at which their products are recycled.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	I am uncertain that it is important enough to be considered material. While some consumers seek less and more sustainable packaging, many perceive less value when packaging is smaller (e.g. concentrates) or less attractive (e.g. premium cosmetics). And despite Walmart scorecard and the like, retailers cater to mainstream consumers. Ultimately I think this will grow in importance but is probably not material today.
Household & Personal Products	Product Stewardship	Material Issue?	Corporations	Yes	As a general comment across entire brief, suggest you look at consumer segmentation data from NMI and other sources - vast majority of consumers product purchase still driven by performance and value. Does not invalidate some of the conclusions you have drawn but would be data that would help industry brief.
Household & Personal Products	Product Stewardship	Material Issue?	Corporations	Yes	Concern over health and wellness of humans and protection of the biological components in the environment continue to increase demands on transparency about constituents of concern. This will only increase financial risks associated with ingredients of concern in formulations sold by this sector.
Household & Personal Products	Product Stewardship	Material Issue?	Corporations	Maybe	From an ESG stakeholder point of view, product stewardship could be considered material, but would not be considered material from a financial point of view unless there was an ingredient-specific safety, quality or regulatory issue that was unable to be effectively addressed.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Product Stewardship	Material Issue?	Corporations	Maybe	<p>Unilever considers the issues noted in the SASB brief regarding the use of chemicals found to have negative health consequences and the need for caution with advertising claims where it could be insinuated that products have drug-like products, to be material to the industry. However, Unilever believes that identification of chemicals found to have negative health consequences should be through robust scientific evidence as opposed to pressure groups.</p> <p>Product safety is a priority for Unilever and covered in the Code of Business Principles. The Safety and Environmental Assurance Centre (SEAC) assesses the safety and environmental sustainability of products, including the manufacturing processes to make them.</p> <p>We maintain a set of mandatory standards covering the use of ingredients and materials.</p> <p>Our approach to use of chemicals is explained on our corporate website:  <a href="http://www.unilever.com/innovation/Product-ingredient-safety/product-safety/">http://www.unilever.com/innovation/Product-ingredient-safety/product-safety/</a></p> <p>Unilever's claims guidance addresses the need for exercising caution in advertising claims for products which could be seen to have medicinal properties.</p>
Household & Personal Products	Product Stewardship	Material Issue?	Corporations	Maybe	<p>Any aspect of the management of a business is material if it has impact on the financial performance of a company AND circumstances external to the company create an increased level of risk. Product stewardship programs demonstrate that a company is exercising a reasonable level of care in the management of products, including sourcing of materials, worker safety, and consumer communication. Emerging science suggests conventional product stewardship may not be adequate, and companies may face increased risk from environmental, worker, and consumer hazards inherent in company operations and products. These can have a material impact on company financial risk.</p>
Household & Personal Products	Product Stewardship	Material Issue?	Corporations	Maybe	<p>The relative materiality is highly category specific and dependent on mix in any individual organization. High degree of product/material/chemical variability in the sector makes this difficult to generalize.</p>
Household & Personal Products	Product Stewardship	Material Issue?	Market Participant	Yes	<p>Consumer safety is material.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Product Stewardship	Material Issue?	Market Participant	Yes	The industry covers a very heterogeneous set of activities. But in particular the area of chemicals used is relevant to the majority of activities from hazardous chemicals including in household goods to potential backlash of emerging chemical hazards in personal products.  <a href="http://www.unep.org/chemicalsandwaste/UNEPsWork/ChemicalsinProductsproject/tabid/56141/Default.aspx">http://www.unep.org/chemicalsandwaste/UNEPsWork/ChemicalsinProductsproject/tabid/56141/Default.aspx</a>  See Strategic Approach to International Chemicals Management and CIP (Chemicals in Products Project) in: <a href="http://www.unep.org/chemicalsandwaste/Portals/9/CiP/CIP_final_web.pdf">http://www.unep.org/chemicalsandwaste/Portals/9/CiP/CIP_final_web.pdf</a>
Household & Personal Products	Product Stewardship	Material Issue?	Market Participant	Yes	Increasing consumer awareness around harmful effects of certain chemicals in personal products
Household & Personal Products	Product Stewardship	Material Issue?	Market Participant	Maybe	This is an ill-defined term and my reservations have to do with my need for additional clarification of the precise issues.
Household & Personal Products	Product Stewardship	Material Issue?	Public Interest & Intermediaries	Yes	High Public awareness  <a href="http://www.nrcm.org/wp-content/uploads/2014/03/productstewardshipcasestudythermo.pdf">http://www.nrcm.org/wp-content/uploads/2014/03/productstewardshipcasestudythermo.pdf</a>  <a href="http://productstewardship.net/sites/default/files/PDFs/productsPackagingNWPSCReport2011.pdf">http://productstewardship.net/sites/default/files/PDFs/productsPackagingNWPSCReport2011.pdf</a>
Household & Personal Products	Product Stewardship	Material Issue?	Public Interest & Intermediaries	Yes	Risk management related to the product stewardship in order to guarantee consumer safety is a critical issue for the industry. Responsible Care Global Charter clearly articulates the stewardship.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Product Stewardship	Material Issue?	Public Interest & Intermediaries	Yes	I think it would be helpful if SASB unpackaged this topic as it can be separated out into discrete issues, such as human health impacts during product use to environmental impacts of end of life disposal and related regulation. The human health concerns/chemical regs are by far the most material of the many sub-topics in Product Stewardship. Some of the other aspects, such as EPR, I have reservations about calling material.
Household & Personal Products	Product Stewardship	Material Issue?	Public Interest & Intermediaries	Yes	<p>Some good corporate investment in chemical evaluation and control as a proactive measure. Discussion in the research is seems focused on response and impact after a chemical is a concern. See SC Johnson's Greenlist process and J&amp;J's Earthwards</p> <p><a href="http://www.scjohnson.com/en/commitment/focus-on/greener-products/greenlist.aspx">http://www.scjohnson.com/en/commitment/focus-on/greener-products/greenlist.aspx</a></p> <p><a href="http://www.jnj.com/caring/citizenship-sustainability/strategic-framework/product-stewardship-earthwards">http://www.jnj.com/caring/citizenship-sustainability/strategic-framework/product-stewardship-earthwards</a></p>



Household & Personal Products	Product Stewardship	Material Issue?	Public Interest & Intermediaries	Maybe	<p>The issue portrayed with regards to Product Stewardship covers three different topics which may be better served separately or in tandem with the other material issues identified. The first topics is relative to product safety and increasing regulation on chemicals. The second covers water used by consumers and the third covers EPR (which is repeated from the packaging issue). I would recommend placing the issues around water and EPR described in this section with their corresponding disclosure topics already identified and focusing this topic on product quality and safety.</p> <p>Revised Topic: Product Quality and Safety</p> <p>The description of this topic should focus on the increasing lack of trust around potential health and environmental concerns of products, increased desire for transparency, and the threat of increased federal and state regulations as well as retailer restrictions.</p> <p>Firms will need to be able to provide additional information about the safety and composition of their products, and/or perform more extensive research and testing to prove the safety of the product. Alternatively firms may need to respond through innovative alternatives, reformulations or new products.</p> <p>It is difficult to determine a specific strategy in this area which provide a stronger outlook for a company. I think it is incorrect to say (Pg 10)"firms that steer away from using products that are potentially contentious will likely to profit from a stronger demand" as those operating in this fashion tend to have a lower market share, higher costs and products may not perform to the level of the market leader.</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Product Stewardship	Material Issue?	Public Interest & Intermediaries	Maybe	Question goes to the extent to which a producer is responsible for the product after sale when its use, disposal or reclamation is outside the producer's control, and the costs associated with trying to manage this.
Household & Personal Products	SASB Approach	Other Comment	Corporations	D.N.A. - Other Comment	<p>Per earlier e-mails, I am using this section to confirm that these are personal opinions and do not represent company positions - and comments and thoughts expressed in this survey will not be shared with attribution. This also confirms that my participation in this survey in no way endorses or recommends what may be the final SASB output. Any listing of participants in the survey working group will clearly reflect that individual input was provided and not company wide positions or endorsement.</p> <p>Finally, greatest challenge with this entire effort is that there could be scenarios where some of the proposed areas could be material for some companies, but I can also think of scenarios where the areas would not be material. Net, my responses are from the point of view that the topics listed could be considered material issue under some circumstances, but each company would need to assess individually if they are actually material given unique circumstances (i.e. jsut because listed here does not mean these will be material for all companies)</p>
Household & Personal Products	SASB Approach	Other Comment	Market Participant	D.N.A. - Other Comment	As I have mentioned above, my impression was that this industry briefing included an heterogeneous selection of companies. Some of the issues (hazardous chemicals and hazardous waste) are more relevant for sections of the industry but not others. With the principle of universality (issues that are pertinent and relevant across the industry) I have had difficulty making consistent decisions. However, I believe this analysis has reached a compromise using a lower common denominator following that principle.
Household & Personal Products	SASB Approach	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	As noted in comment about brief, it feels to me like some sustainability topics are relevant across industries and should have been included in this survey. Still trying to get my head around, conceptually, why issues as important as climate change risks and executive compensation wouldn't be included here (even if they are not issues unique or endemic to the industry).
Household & Personal Products	Supply Chain Management	Add Issue	Corporations	Social unrest	Social unrest may disrupt markets as well as a company's supply chain. For example, a company seeking growth in developing countries may face market disruption in the face of social unrest.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Supply Chain Management	Add Issue	Corporations	Environmental degradation	Although this could be included in Supply Chain impacts, there are environmental effects that may impose increasing costs, shifting markets, and other impacts not specifically tied to supply chain.
Household & Personal Products	Supply Chain Management	Add Issue	Market Participant	Services Management	as mentioned previously items such as child labor or corrupt practices to gain advantage should also be included.
Household & Personal Products	Supply Chain Management	Add Issue	Public Interest & Intermediaries	climate change strategy	There is growing evidence that climate change impacts are coming faster and will be more severe than expected. Companies should be disclosing how they are managing climate-change related risks (this clearly overlaps with water management and supply chain management in particular. This is not unique to this industry, which is less exposed than many others, but it's material nonetheless.



Household & Personal Products	Supply Chain Management	Material Issue?	Corporations	Yes	<p>SASB identifies supply chain management as material risk, including supply chain disruptions, input price increases, regulatory compliance costs and reputational damage. This can stem through adverse social and environmental impacts arising from unsustainable sourcing practices or issues such as child labour.</p> <p>Unilever views the above as material and also recognises the risk of security of supply. This is addressed in the sustainable sourcing commitment of the USLP. Sustainable agriculture means growing food in ways which sustain the soil, minimise water and fertiliser use, protect biodiversity and enhance farmers’ livelihoods and this is captured and defined for the agricultural raw materials purchased by Unilever in the Sustainable Agriculture Code. In April 2014 Unilever issued the Responsible Sourcing Policy, replacing the Supplier Code, to further drive the sustainable sourcing programme.</p> <p>Unilever sees climate change effects from sustainable sourcing as only one part (estimated to be a quarter) of the total value chain impact from greenhouse gases. See below for Unilever’s approach to Greenhouse Gases and climate change.</p> <p>Unilever has two priorities:</p> <ol style="list-style-type: none"> <li>1. Working to eliminate deforestation from supply chains to help mitigate climate change - at a company level, at a consumer goods industry level and at a multi-sectoral level.</li> <li>2. Championing sustainable agriculture and the development of smallholder farmers – driving transformational change in agricultural systems as a whole.</li> </ol> <p>Palm oil and Paper and Board are the largest agricultural raw materials purchased by Unilever in volume and consistent with SASB’s identification of these being material to this industry.</p> <p>Refer to our website for further details on our approach to Sustainable Sourcing:</p> <p><a href="http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/sustainable-sourcing/">http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/sustainable-sourcing/</a></p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Supply Chain Management	Material Issue?	Corporations	Yes	The sector is highly dependent on resources that are highly volatile from cost perspective and/or increasingly in demand with emergence of the global middle class.
Household & Personal Products	Supply Chain Management	Material Issue?	Corporations	Yes	It is as critical to focus on energy and water use in the supply chain, as it is to focus on sustainable raw materials like palm oil and forest products and fair labor practices (which focus more on reputational risks, than on physical risks).
Household & Personal Products	Supply Chain Management	Material Issue?	Corporations	No	From an ESG stakeholder point of view, supply chain management would be considered important, but would not be considered material from a financial point of view unless there was a significant issue related to ethics, labor, or environmental health and safety in the broader supply chain.
Household & Personal Products	Supply Chain Management	Material Issue?	Corporations	Maybe	Any aspect of the management of a business is material if it has impact on the financial performance of a company AND circumstances external to the company create an increased level of risk. Climate change, environmental degradation, and social disruption are threatening global supply chains, putting most companies at increased risk from supply chain disruption.
Household & Personal Products	Supply Chain Management	Material Issue?	Market Participant	Yes	End to end management of the products used must be part of the responsible company profile for practical, educational and ethical reasons. It is no longer sufficient to promote consumer behavior that assumes everything comes to us as a finished product without knowing more what issues are implicated in the production and/or manufacture of these items. They simply do not just appear on a store shelf. Promoting awareness is the first step whether in manufactured or organic originated items. Services (e.e, child labor) is also a component. Examples have demonstrated that when awareness increases, consumer responses can be measurable. Sustainable needs to be applied to the efforts to maintain the awareness.
Household & Personal Products	Supply Chain Management	Material Issue?	Market Participant	Yes	Supply chain issues increasingly affect the brand equity of companies. Palm oil sourcing issues are the most infamous recent example. Additionally, we've seen manufacturing issues in other industries as well. In an increasingly transparent business environment, companies are increasingly being held accountable by customers who value environmental and social impact. Also, healthy supply chains help companies avoid input price spikes and operational disruptions.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Supply Chain Management	Material Issue?	Market Participant	Yes	<p>Palm oil and Soy as supply chain risks  <a href="http://www.accaglobal.com/content/dam/acca/global/PDF-technical/sustainability-reporting/business-and-investors.pdf">http://www.accaglobal.com/content/dam/acca/global/PDF-technical/sustainability-reporting/business-and-investors.pdf</a></p> <p>Important to have a list of relevant certifications. FSC, RSPO, RTRS, FairTrade, Rainforest Alliance.</p> <p>Agriculture as a supplier of raw material is recognized by the ILO as one of the three most hazardous sectors. <a href="http://ilo.org/global/industries-and-sectors/agriculture-plantations-other-rural-sectors/lang--en/index.htm">http://ilo.org/global/industries-and-sectors/agriculture-plantations-other-rural-sectors/lang--en/index.htm</a></p>
Household & Personal Products	Supply Chain Management	Material Issue?	Market Participant	Yes	As top line growth remains pressured particularly in developed markets, earnings growth will need to come from margin growth. Greater efficiencies within supply chain will drive margin growth.
Household & Personal Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	High Public awareness
Household & Personal Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	The industry has a relatively wider range of supply-chain and has to focus on “usage of customer” phase in addition to “procurement phase”. The products are small-sized and have a shorter life-cycle with a plenty of volumes, therefore the impact areas can be larger.
Household & Personal Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	The brief currently only takes into account a very limited scope of raw materials that may have issues related to sourcing. This sector has a very broad range of products with many different raw material, both natural and synthetic. It would be more appropriate for this topic be made broader and the title be updated to Material Sourcing, to better reflect the issue. Palm and paper can be used as examples, but it should be clear that these are not the only raw materials with potential issues. As few additional examples that come to mind are cotton, cocoa, coconut oil, lavender, and minerals.
Household & Personal Products	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	Question goes to the extent to which a producer is responsible for and should incur the costs of reporting upon upstream and downstream logistics over which the producer does not have primary control. If suppliers above Tier 1 are reported there's a lot of risk of duplication in reporting. Ditto for distribution beyond the truck leaving the producer's dock.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Survey Comment	Other Comment	Market Participant	D.N.A. - Other Comment	Again - the Yes/No format necessarily sacrifices nuance and industry specific information - I understand the difficulty identifying proxy measures that would apply to all segments.
Household & Personal Products	Water Management	Material Issue?	Corporations	Yes	<p>The SASB research briefing notes that water in manufacturing process as a coolant and as an input for products is vital for the industry.</p> <p>Unilever's water metric considers both direct and indirect impacts of water and therefore goes beyond water used in the manufacturing process by also measuring water impacts of consumer use of products. The metric is expressed on a 'per consumer use' basis, for example the water needed for one hair wash with shampoo.</p> <p>Unilever's metrics considers the impacts to be material in water scarce areas, where scarcity could be experienced through environmental or infrastructural factors i.e. physical scarcity and/or lack of access to water. Refer to our website for further details on our approach: <a href="http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/water-use/">http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/water-use/</a></p>
Household & Personal Products	Water Management	Material Issue?	Corporations	Yes	Emerging water stress will require significant capital investment in many regions to support business continuity. Working capital reduction reduces resiliency in the supply chain, increasing cost implications when manufacturing is disrupted.
Household & Personal Products	Water Management	Material Issue?	Corporations	Yes	It is not just material in internal operations of companies in this sector. It is even more material to the manufacturers of intermediates and other chemical companies in their supply chain.
Household & Personal Products	Water Management	Material Issue?	Corporations	No	From an ESG stakeholder point of view, water management would be considered important, but would not be considered material from a financial point of view unless there was a significant event that disrupted business operations or the supply chain for an extended period of time.
Household & Personal Products	Water Management	Material Issue?	Corporations	Maybe	Any aspect of the management of a business is material if it has impact on the financial performance of a company AND circumstances external to the company create an increased level of risk. Companies in regions of increasing drought face increased risk that may be material to their financial performance.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Water Management	Material Issue?	Market Participant	Yes	Clean water is becoming a scarce resource. The weather patterns affect significantly the geographic distribution in our country as well as others and the large water bodies are increasingly polluted in ways that compromise their ability to recover. The world is at risk as a community and needs to be mindful of sources, use patterns and effective ways to conserve this resource
Household & Personal Products	Water Management	Material Issue?	Market Participant	Yes	Water scarcity is increasing, which will lead to a changing regulatory environment, affecting input costs for companies.  <a href="http://www.wri.org/our-work/project/aqueduct">http://www.wri.org/our-work/project/aqueduct</a>
Household & Personal Products	Water Management	Material Issue?	Market Participant	Maybe	The impact and dependency is relatively smaller than power and utilities. Dependency is linked to supply chain inflows, but that is part of the supply chain. Industrial uses account for about 20% of global freshwater withdrawals. Of this, 57-69% is used for hydropower and nuclear power generation, 30-40% for industrial processes, and 0.5-3% for thermal power generation (Shiklomanov, 1999).  <a href="http://www.unep.org/dewa/vitalwater/article48.html">http://www.unep.org/dewa/vitalwater/article48.html</a>  The other contribution is through domestic use of water associated with some household products (e.g. detergents). The average American family of four uses 400 gallons of water per day. On average, approximately 70 percent of that water is used indoors, with 27% used by bathrooms and 22% by clothes washes. <a href="http://www.epa.gov/WaterSense/pubs/indoor.html">http://www.epa.gov/WaterSense/pubs/indoor.html</a> ; <a href="http://www.safewater.org/PDFS/resourcesknowthefacts/WaterConsumption.pdf">http://www.safewater.org/PDFS/resourcesknowthefacts/WaterConsumption.pdf</a>  Reduction of water impact through product innovation is a salient topic and one where companies are making sustainability leadership inroads. <a href="http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/water-use/water-use-by-consumers/index.aspx">http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/water-use/water-use-by-consumers/index.aspx</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Household & Personal Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	The importance of water management is further supported by a new initiative to reduce water per dose for all liquid laundry detergent by 25%. <a href="http://www.sustainablebrands.com/news_and_views/organizational_change/sustainable_brands/walmart_hosts_sustainable_product_expo_accel">http://www.sustainablebrands.com/news_and_views/organizational_change/sustainable_brands/walmart_hosts_sustainable_product_expo_accel</a>
Household & Personal Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	This is about risk exposure and management. Investors know water is increasingly an operational and license to operate risk--and are likely to view companies that are not taking proactive strategies as poorly managed.
Household & Personal Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Similar to packaging material, producers have an affirmative responsibility to minimize the amount of non-product water they use; any water not used in the product adds no value to its beneficial use.
Household & Personal Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Spill prevention and control did not be much attention here and with some in this industry having heavy chemical use I thought it should be mentioned.
Household & Personal Products	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	High Public awareness
Household & Personal Products	Water Management	Material Issue?	Public Interest & Intermediaries	Maybe	If a company produces detergents, water discharges from consumers can make a negative impact on the surrounding environment. In the case, the company may have a responsibility to handle the impact in terms of the supply-chain.



Meat, Poultry & Dairy	Animal Care & Welfare	Inaccuracy	Public Interest & Intermediaries	D.N.A. - Inaccuracy	<p>My comments pertain to the Animal Care and Welfare Section:</p> <p>While the Federal Animal Welfare Act does not cover farm animal welfare, there are many state laws banning, restricting or phasing out the use of gestation crates and battery cages. Producers that are using these confinement systems must comply with impending legislation, which may require substantial investment in new facilities. Because confinement bills continue to be introduced and discussed in additional states, there is a danger that any company investing in a confinement facility now may have to convert before their equipment fully depreciates. The research brief should discuss the financial risk of suppliers constructing new confinement facilities while these state laws proliferate. Further, where producers transport products into California, the sale ban on eggs produced by hens in battery cages (<a href="http://sustainableagriculture.net/blog/california-bans-battery-cage-eggs-as-of-2015/">http://sustainableagriculture.net/blog/california-bans-battery-cage-eggs-as-of-2015/</a>) could prohibit them from selling in this substantial market (but see <a href="http://www.abajournal.com/magazine/article/californias_ban_on_standard-caged_birds_poses_a_chicken-egg_problem/">http://www.abajournal.com/magazine/article/californias_ban_on_standard-caged_birds_poses_a_chicken-egg_problem/</a>). On top of this, there is a snowball effect of major retail corporations requesting cage- and crate-free suppliers (<a href="http://www.humanesociety.org/issues/confinement_farm/timelines/timeline_farm_animal_protection.html">http://www.humanesociety.org/issues/confinement_farm/timelines/timeline_farm_animal_protection.html</a>), further limiting the market for conventionally produced eggs and pork, and this could be explained in the research brief to better support the relevant metrics.</p> <p>I don't agree with the statement that "Modern animal production facilities are highly efficient." It is actually quite inefficient to move the feed to the animals and then move the manure away. In a sustainable, organic system, the animals graze on pasture, and deposit fertilizer where they stand. There are very few inputs. What could be more efficient than that? Also there are terrible, wasteful inefficiencies in conventional production, for example for every female chick hatched in the egg industry, a male chick is thrown away into a grinder. What could be more inefficient than discarding half of the animals?</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>Ractopamine is not an antibiotic. It structurally resembles a hormone, although the FDA does not recognize it as such.</p> <p>"Westland" should be "Westland/Hallmark" as it is above in the food safety section. The following sentence should be revised from "The video showed cows that were unable to walk being pushed and prodded by machines and workers, which caused regulators to become concerned that the animals might have been infected with BSE" To: "The video showed cows that were unable to walk being pushed and prodded by machines and workers to force them to stand for slaughter, acts of abuse that are illegal, in part, because "downed" cattle are more likely to be infected with BSE"</p> <p>Otherwise the section is really good, and I'm happy to see such a succinct description of the investment risks associated with lack of attention to animal welfare!</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Corporations	Yes	This is critical for the meat sector. Temple Grandin's research in this area has really formed a series of best practices. See AMI
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Corporations	Maybe	Decreasing the use of crates and cages for production can have a negative effect on efficiency and potentially carbon footprint.
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Market Participant	Yes	this subject is regulated: <a href="http://awic.nal.usda.gov/government-and-professional-resources/federal-laws/animal-welfare-act">http://awic.nal.usda.gov/government-and-professional-resources/federal-laws/animal-welfare-act</a> and is therefore material.
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Market Participant	Maybe	The public has shown a tolerance for some less-than-ideal animal welfare. The use of contract farmers provides some level of distance/protection as well.
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Yes	This is a big concern for consumers and the subject of increasing regulation as well. Companies in this industry need to have an answer to public demands and questions as well as be prepared for new legal requirements. Gestation crates is a good example of the changes afoot and the materiality of the issues, with 9 states in the U.S. already banning the use of gestation crates. Companies should expect more activity on these issues.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Yes	<p>Animal welfare is becoming an increasingly important societal concern. Because consumers care about the origins of their food, and how animals are treated on farms, legislative and corporate policies are beginning to take animal welfare issues into serious consideration. For example, one priority issue is the degree to which animals are intensively housed on industrialized agricultural production systems. In the pork production industry, breeding sows are often confined into metal crates that are barely larger than the animals' own bodies. However, in the past ten years, nine U.S. states have enacted legislation to prohibit the use of these crates. Major food retailers are adopting purchasing preferences for suppliers that can demonstrate a commitment to moving toward alternative sow housing systems. These decisions are having a ripple effect, with entire industries following the example set by the initial reform leaders.</p> <p>A recent study commissioned by Humane Society International found that changing consumer expectations will drive a shift in the market that could have substantial financial impact on companies not embracing the coming changes. In a 2013 report, Groupe AGÉCO, an agricultural consulting firm, concluded that in the long-term, failure to commit to a shift to group housing for sows could result in a loss of both domestic and international market share. In Canada, where the study was carried out, long-term market opportunity losses were estimated to be \$0.89B to \$1.77B annually. The study can be accessed here: <a href="http://www.hsi.org/assets/pdfs/economics-report-pig-industry-canada.pdf">www.hsi.org/assets/pdfs/economics-report-pig-industry-canada.pdf</a>.</p> <p>Businesses practices that do not take animal welfare into consideration are not socially sustainable.</p>
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Yes	We hope you'll reach out to our colleagues at the Humane Society (Matt Prescott would be good) and ASPCA (see <a href="http://www.thepoultrysite.com/poultrynews/33108/survey-shows-consumers-want-more-humanely-raised-chicken">http://www.thepoultrysite.com/poultrynews/33108/survey-shows-consumers-want-more-humanely-raised-chicken</a> )



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Yes	Animal care and welfare in this industry is a moral issue, but does not impact much on sustainability, but the issue of impact on biodiversity is a huge issue that will have a long term impact on the performance of the society and the economy in the long run.
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Yes	Animal Care & Welfare has been used to motivate competition. Free-range eggs are one example of them, Whole Foods Market have also a animal welfare rating system and Chipotle is against factory farming.
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Maybe	xxx
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Maybe	<p>In my research, I often find that practices that are "best" for animals are at odds with what is the most environmentally friendly. The research team I work with performed numerous studies for the National Pork Board, and found that large industrially production facilities use less water, require less on-farm land, and produce more piglets per litter than smaller operations. Industrial livestock production is often considered poor animal welfare yet has demonstrable decreases in environmental impacts. I believe this topic retains some aspects of materiality because blatant animal abuses have been publicly documented and resulted in consumer backlash towards particular companies.</p> <p><a href="http://www.pork.org/FileLibrary/ResearchDocuments/11-133-MATLOCK-UofArk.pdf">http://www.pork.org/FileLibrary/ResearchDocuments/11-133-MATLOCK-UofArk.pdf</a></p> <p><a href="http://www.pork.org/filelibrary/NPB%20Scan%20Final%20-%20May%202011.pdf">http://www.pork.org/filelibrary/NPB%20Scan%20Final%20-%20May%202011.pdf</a></p> <p><a href="http://lcafood2014.org/papers/262.pdf">http://lcafood2014.org/papers/262.pdf</a></p>
Meat, Poultry & Dairy	Animal Care & Welfare	Material Issue?	Public Interest & Intermediaries	Maybe	Failure to manage animal care aspects can be important to some consumers and not other others. Hence it may not be equally important across all supply chains.
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Corporations	Yes	Changing climate conditions are impact agricultural land use patterns,



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Market Participant	Yes	as per GHG emission, land and water use
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Market Participant	Yes	Droughts affect corn, which is an important commodity for meat production. Also, several slaughterhouses in Texas have been closed due to drought.
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	<p><a href="http://www.ifad.org/lrkm/factsheet/cc.pdf">http://www.ifad.org/lrkm/factsheet/cc.pdf</a></p> <p><a href="http://books.google.ca/books?id=-tLaFmtRaLcC&amp;printsec=frontcover&amp;source=gbs_ge_summary_r&amp;cad=0#v=onepage&amp;q=meat%20and%20poultry&amp;f=false">http://books.google.ca/books?id=-tLaFmtRaLcC&amp;printsec=frontcover&amp;source=gbs_ge_summary_r&amp;cad=0#v=onepage&amp;q=meat%20and%20poultry&amp;f=false</a></p> <p>see page 572 and 437</p>
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	Another obvious one. Climate change is very real, and companies face material risks and opportunities associated with the impacts and adaptation to impacts.
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	As I noted previously, resilience to climate change is a key indicator of the ability of supply chains to minimize exposure to very expensive risks associated with drought and other forms of extreme weather. Virtually all of the best practices that constitute "adaptation" are better for the health and resilience of ecosystems and the businesses that depend on them.
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	The single item focus on change is going to get the wrong policy frame ... what we need to understand is how climate change and social change and economics all interact and things have to be looked at as a total system. Profit at the expense of everything else is a dangerous way to proceed.
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	Climate change Adaptation preparedness may not be perceived as important yet because is too long term. Probably if perceived as community/environment investment that results on increase in consumption it may be appreciated





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Maybe	xxx
Meat, Poultry & Dairy	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Maybe	Climate change impacts vary geographically and so vary in how they implice a company operations (e.g., extreme heat, flooding) or its supply chains.
Meat, Poultry & Dairy	Congratulations	Other Comment	Corporations	D.N.A. - Other Comment	This is a good first draft of metrics that seem to capture the main material aspects of the industry.
Meat, Poultry & Dairy	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	The Research Brief was very interesting, relevant, forward looking, comprehensive and well-written. Indeed, I found entire the IWG process user-friendly and easy to navigate. Thank you.
Meat, Poultry & Dairy	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	Very efficient and well organized process, thank you and well done
Meat, Poultry & Dairy	Congratulations	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>Very interesting approach, I look forward to contribute more as the process advances.</p> <p>Just for curiosity, how are you planning to position the standard for groups like the Organic Foods sector and/or the Sustainability Consortium (led by Walmart).</p> <p>Also, I look forward to the business ecosystem that you may create. Because some groups like Trucost may be interested in the idea.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Congratulations	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>The SASB initiative is very important ... and it must be successful and become a core part of the dataflows associated with social and economic metrics about progress and performance of the society and the economy.</p> <p>A singular focus on growing financial capital at the expense of all the other capitals is a formula for disaster. It worked pretty well when the global economy was small relative to the planet but times have changed. In 1900 the global population was 1.7 billion and now it is around 7.1 billion. Standard of living is 10 times better (bigger) so an economy and impact that is 40 times (at least) what it was 'back in the day'. We have to have metrics that reflect this reality and conventional accounting and conventional macro economics does not 'cut it'.</p> <p>I qualified as a Chartered Accountant in the UK almost 50 years ago. I learned a lot about the 'principles' of accounting and how important it was that these principles remained at the core of the accountancy profession. Eventually I came to the United States and was appalled that principles had been overtaken by regulations, rules and standards ... some of which made no sense from a principled perspective. I see the need for some clarity about the principles for sustainability accounting, or if not principles some clarity about the framework for sustainability accounting.</p> <p>The work I have been doing in this space is emerging as Multi Dimension Impact Accounting (TrueValueMetrics.org)</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Food Safety	Add Issue	Public Interest & Intermediaries	Impact on wellness arising from food consumption	It is a widespread practice to use various chemicals to improve growth and yield. Some of these are potentially dangerous to wellness, including things like antibiotics and growth hormones not to mention things like 'Roundup' in the feed that goes into animals.
Meat, Poultry & Dairy	Food Safety	Inaccuracy	Corporations	D.N.A. - Inaccuracy	The section on anti-biotic use needs to be revised. It is too general for the meat industry. there are some very sepecific beef, poultry and pork issues that should be captured.
Meat, Poultry & Dairy	Food Safety	Material Issue?	Corporations	Yes	Food safety is the most material issue for this industry. Suggest you reference GFSI and BRC
Meat, Poultry & Dairy	Food Safety	Material Issue?	Corporations	Yes	I would suggest both number of GFSI facilities certified as well as percentage of total facilities certified.
Meat, Poultry & Dairy	Food Safety	Material Issue?	Market Participant	Yes	infringement to food safety can lead to criminal charges: <a href="http://www.reuters.com/article/2014/05/21/us-usa-crime-eggs-idUSBREA4K16V20140521">http://www.reuters.com/article/2014/05/21/us-usa-crime-eggs-idUSBREA4K16V20140521</a>
Meat, Poultry & Dairy	Food Safety	Material Issue?	Market Participant	Yes	Please have a look at the book Anticancer,with very detailed information on cancer risk of traditional meat consumption: <a href="http://www.anticancerbook.com/">http://www.anticancerbook.com/</a> - I deem this very important both as a consumer and investor
Meat, Poultry & Dairy	Food Safety	Material Issue?	Market Participant	Yes	Food safety is listed in each company's 10k as a risk factor. In addition, non-therapeutic administration of antibiotics will not be allowed to continue. Consumer and NGO pressure will force companies to amend their practices.
Meat, Poultry & Dairy	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	xxx
Meat, Poultry & Dairy	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Failure in food safety have led to loss sales and closing of operations and smaller food companies. With globalization, food safety will increase as a material aspect of food businesses.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	As with animal welfare or even more so, the public and investors expect food to be safe. A food recall is a very material risk to companies in this industry, as examples have shown. This is very obvious.
Meat, Poultry & Dairy	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	<p>IMPORTANT: Antibiotic resistance has been identified by Centers for Disease Control and Prevention as among the top 5 health threats facing the nation. 80% of all antibiotics in the US are sold for livestock use. We are approaching public health disaster and we're probably only one superbug away from more stringent laws and policies to curb livestock use. This is definitely an area where there is material risk for th livestock industry.</p> <p>***We recommend that antibiotic use be pulled out of the food safety category and given its own section and metric.</p>
Meat, Poultry & Dairy	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Reading the brief I sense that food safety is being looked at in a very narrow way. Food safety should include the impact of issues like the impact of growth hormones and antibiotics on consumers in both the short run and the long run. The Rachel Carson impact on use of DDT should perhaps be applied to the use of things like Roundup. The issue here is the total life cycle of various components of industry inputs which then appear in products that get consumed.
Meat, Poultry & Dairy	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Food safety impacts the business badly because when problems occur there are market share losses, litigation and compensations. So, from my perspective what is important here is how effective the company is on managing food safety risks.
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	Because the EPA rule permitting manure to be counted in the Renewable Fuel Standard program is relatively new, it may be too soon to include a metric on this, but it is an emerging solution to GHG and waste reduction issues -- an item to watch.
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	dairy/beef has a huge impact. Suggest GRSB as a resource.
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	See comments to Land Use Impacts



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	<a href="http://www.ipcc.ch/report/ar5/wg3/">http://www.ipcc.ch/report/ar5/wg3/</a>
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	CO2 emissions from agriculture are rising - this is cause for concern and special attention. <a href="http://www.fao.org/news/story/en/item/216137/icode/">http://www.fao.org/news/story/en/item/216137/icode/</a>
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	A Dutch study, "Climate Benefits Of Changing Diet", concludes that a global shift to organic vegan diets would save world governments 80% of climate mitigation costs (\$32 trillion in savings)
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	GHG emissions are becoming regulated in some states and countries and so affect company operations if they are located where regulated. electricity is a key sector input and GHG regulations with respect to electrical generation constitute a material risk.
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	<p>According to a University of Nebraska expert, U.S. beef production generates more than four times the climate-disrupting impact (17 lbs CO2eq/lb beef) of pork (4 lbs CO2eq/lb) and more than ten times the impact of chicken (1.5 lbs CO2eq/lb). Other studies have found beef's carbon footprint to be even more substantial. Fortunately, many of the practices for reducing and minimizing emissions of grazing and feedlot (AFO and CAFO) operations are both environmentally and economically beneficial. For example, practices for reducing enteric methane emissions include optimizing breed and feed selection and grazing management to maximize livestock growth rates, reducing lifecycle enteric methane emissions by reducing time to slaughter and increasing livestock weight (and health).</p> <p>Strategies for responsible manure management not only reduce methane and nitrous oxide emissions, but reduce operational, legal and brand/reputational risks associated with pollution of surface and groundwaters (including drinking water supplies). Implementing these emissions-reducing best practices and technologies could also offer producers revenue opportunities via (a) use of methane digesters that convert waste into renewable (biogas) energy, and (b) sale of composted manure to other farms and garden retailers. We are glad to provide scientific references upon request</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	Clarify the sources and kinds of emissions to be included - is it primarily emissions from enteric fermentation and energy use in transportation? Greater specificity is needed.
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	GHG issues are on an exponential track that will become a huge risk factor in 20+ years but the cause of this is already in place.
Meat, Poultry & Dairy	Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	The negative impact of emissions in the business may be in the form of fines, but it can be also negotiated to incentives for improvement.
Meat, Poultry & Dairy	Ind. Brief comment	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	While the brief identifies all the material issues, the narrative description and the evidence presented in support of the issues is often unclear.



Meat, Poultry & Dairy	Ind. Brief comment	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	<p>1) Water management: pages 6-7: this section is missing information about the impacts of poor grazing, pasture and other ranch management on water availability. For example, quality of grazing management profoundly effects soil water holding capacity, infiltration and runoff rates (and associated risks, from resilience of operations to drought to risks of sediment runoff into waterways). Currently the scope of this document does not adequately cover grazing operations for beef, dairy and sheep production - the environmental and economic impacts of poor management and material benefits of good management. Re-organizing sections by operation type (e.g., a) ranch/ grazing/ pasture; (b) feedlot (including both CAFOs and smaller AFOs); and processing facilities) could help pinpoint key material risks and concerns at each stage of these supply chains.</p> <p>2) Land use and ecological impacts:</p> <p>- Page 8: "water, air and soil contamination presents a regulatory risk." It also presents productivity and public health risks, among others... Poorly managed soils reduce grass and feed crop plant productivity and thus livestock and feed crop growth rates. Livestock that drink poor quality water don't grow as quickly. Livestock that breathe poor quality air may become sick and not reach slaughter weight as quickly as livestock that breathe clean air. In arid regions, dust emissions have been cited as another impact of poor management, and have in fact been found to accelerate melting of snowpacks! See e.g. <a href="http://www.colorado.edu/climate/iwcs/archive/IWCS_2008_July_feature.pdf">http://www.colorado.edu/climate/iwcs/archive/IWCS_2008_July_feature.pdf</a> and the role of soil disturbances (most soil disturbances in these regions are from grazing livestock and all terrain vehicles)</p> <p>- "biodiversity changes can indirectly impact agricultural systems susceptibility to pathogens and pests". They can also impact plant and livestock productivity associated with pollinators and soil biota (diversity of soil biota is a key indicator of soil health, nutrient cycling, water holding capacity and thus forage and feed crop productivity).</p> <p>- When it comes to costs associated with sustainability of these companies, we suggest adding a section detailing how in many of these cases either the company (which is responsible for the pollution) covers the costs of e.g. reducing and minimizing pollution or the public (who is the</p>
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				<p>innocent victim of pollution resulting from e.g., poor manure management practices) pays. One example is when consumers, due to contamination of their drinking water supplies by agricultural chemicals, are forced to bear the exorbitant costs of bottled water. Somebody always will bear "the costs" - the question is whether it will be the companies responsible for pollution if they do not cover the costs of preventing it, or the innocent consumers (and perhaps government entities) who are forced to deal with the economic and health costs of pollution. It would be useful to frame discussions of costs and associated risks in this way.</p> <p>3) Very important: In general, this section could have been organized to elucidate key material impacts and solutions relevant to different types of animals and operations. Beef, for example, with its massive areas of grazing lands, is a very different supply chain than pork and poultry, and in most cases dairy. Consider creating separate subsections relevant to ranching (rangeland and pasture grazing) and feedlot (CAFO and smaller AFO) operations, as well as processing operations. They are very different types of operations within these supply chains, each with their own unique suite/list of relevant hot spots and associated solutions. Of course, as a recent report in the Proceedings of the National Academies of Sciences demonstrated, many key impacts of beef production greatly exceed the impacts of poultry, pork and dairy - further illustrating why it could be helpful to investors and other stakeholders to eliciate these differences and associated impacts, risks and solutions:  <a href="http://www.pnas.org/content/111/33/11996.full.pdf+html">http://www.pnas.org/content/111/33/11996.full.pdf+html</a></p> <p>Finally honing in on the most impactful meat in the report cited above, there is a profound business case for improving rangeland and pasture ranch and grazing management, because improvements can generate economic benefits for ranchers and ranching communities. These include:</p> <p>1. Improved ranch productivity: Better forage production due to improved grazing management fattens cattle faster, which has significant economic benefits. Texas A&amp;M</p>
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				<p>researchers estimate that earning potential is four times higher for a ranch in excellent condition than for a poorly managed ranch (<a href="http://www.sciencedirect.com/science/article/pii/S092180090800462X">http://www.sciencedirect.com/science/article/pii/S092180090800462X</a>).</p> <p>2. Keeping cattle out of streams can pay: University of Wyoming scientists found that cattle gained more weight when provided with other water sources (<a href="https://journals.uair.arizona.edu/index.php/rangelands/article/view/12300">https://journals.uair.arizona.edu/index.php/rangelands/article/view/12300</a>). Another study concluded that keeping cattle out of streams improved animal health and productivity, while reducing erosion and improving water quality (<a href="https://journals.uair.arizona.edu/index.php/jrm/article/viewFile/12447/11721">https://journals.uair.arizona.edu/index.php/jrm/article/viewFile/12447/11721</a>).</p> <p>3. Reduced (non-feed) input costs: Several studies suggest that well-managed ranches result in lower water, fertilizer, and weed control costs.</p> <p>4. Reduced feed costs: A 2011 USDA report noted that a good grazing management plan allows cattle to graze more of the year on pastures, thereby reducing the amount of feed a rancher has to buy (<a href="http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1045804.pdf">http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1045804.pdf</a>).</p> <p>5. Better drought-resilience: Because good grazing management improves soil's water-holding capacity and forage production, ranches that are well-managed can be less vulnerable to drought and recover more quickly from it.</p> <p>6. Access to niche markets: Many consumers are willing to pay more for beef raised in an environmentally-sustainable way, that is grass-fed, or that is raised without hormones or</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>antibiotics. Ranchers who produce this beef are often able to sell to specialty or high-end retail chains, restaurants, and niche brands.</p> <p>7. Opportunities to engage in new markets: Growing demand for ecosystem services produced on ranches is generating public and private schemes that reward landowners by paying them directly for carbon sequestration, water quality, species habitat, wetlands restoration, and other ecosystem services (see e.g., <a href="http://www.farmland.org/documents/GuidetoEnvironmentalMarketsforFarmersandRanchers.pdf">http://www.farmland.org/documents/GuidetoEnvironmentalMarketsforFarmersandRanchers.pdf</a>).</p> <p>7. Higher land value for more ecosystem services: Land that offers economically valuable ecosystem services in addition to livestock production, such as scenic views, elk habitat, and sport fishing, has a higher market value than similar land that only produces livestock. See Chapter 9 in <a href="http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=stelprdb1045811">http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=stelprdb1045811</a></p> <p>In sum, more and more ranches are implementing locally-appropriate better management practices that not only reduce and reverse pollution and land degradation, in turn generating valuable environmental and economic benefits for society. They are finding that improving management boosts profits by improving grass and forage productivity and livestock growth rates, cutting input costs (e.g., of supplemental feed, fertilizer, and pesticides) and increasing the resilience of their land to the unpredictable consequences of climate change. We highly recommend that this type of information is included in your brief, and that your final suite of environmental (and other) metrics is amended to recognize the "better" operations at each stage of the supply chains.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Ind. Brief comment	Innaccuracy	Corporations	D.N.A. - Innaccuracy	<p>a couple statements:</p> <p>"use of antibiotics to improve animals health" Not proven and not consensus</p> <p>"pasture land can lead to physical degradation of land resources" feels leading. It can yes, but it also has the significant potential to not. Could be better balanced.</p>



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Meat, Poultry & Dairy	Ind. Brief comment	Inaccuracy	Public Interest & Intermediaries	D.N.A. - Inaccuracy	<p>1) Page 4: agricultural soil management N2O (from fertilizer application AND grasslands - grazing animals) are massive contributors of GHGs to these supply chains that you did not mention here. This should be added to the sentence "mostly through enteric fermentation and animal waste management"...</p> <p>2) Page 5, left column citation 42: "approximately 34.6 percent of US agricultural GHG emissions". The quote from the EPA inventory is "Methane emissions from enteric fermentation and manure management represent 25.0 percent and 9.4 percent of total CH4 emissions from anthropogenic activities, respectively." Chapter 6 in <a href="http://www.epa.gov/climatechange/Downloads/ghgemissions/US-GHG-Inventory-2014-Chapter-6-Agriculture.pdf">http://www.epa.gov/climatechange/Downloads/ghgemissions/US-GHG-Inventory-2014-Chapter-6-Agriculture.pdf</a></p> <p>3) Page 6 - GHG emissions are not primarily a "regulatory" risk. They present massive risks to the productivity and stability of these industries' natural resources bases. Additionally as I noted, steps to reduce GHGs tend to also improve feed and resource use efficiencies and otherwise increase productivity - so high GHGs are also an indicator of operations that are not optimizing production efficiencies to their potential.</p> <p>- Page 8: "Animal waste and physical land impacts are the primary drivers of ecological damage and biodiversity loss" - should be "physical, biological and chemical land impacts..." Nutrient pollution (chemical) contributes to weed invasions that threaten native plant diversity. Weed invasions, worsened by poor ranch, grazing and crop management practices, present biological impacts to biodiversity. These are just a couple of examples of how primary drivers of biodiversity loss associated with these supply chains are well beyond "animal waste and physical land impacts"</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Industry insights	Add Issue	Market Participant	strategic outlook for poultry and meat producers	It can be expected that this industry could see lower growth rates as other protein sources are introduced into diets accross countries. How will these companies react to this potential change? Moreover, for health reasons, more and more consumers reduce their meat and dairy intake. This is more a long term issue but can still be material to markets. See link to FAO long term outlook p.131
Meat, Poultry & Dairy	Industry insights	Other Comment	Corporations	D.N.A. - Other Comment	In sector specific documents or surveys, plant-based beverages such as soymilk or almondmilk are most often included in the dairy sector. In the consumables after review of non-alcoholic beverages, processed foods and this meat, poultry and dairy sector it does not appear that plant-based beverages were captured.
Meat, Poultry & Dairy	Industry insights	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<ul style="list-style-type: none"> <li>Percentage of sales was not a convincing basis for minimising the focus on fishing and aquaculture.</li> <li>In general there tends to be an overreliance on EPA data. Suggest diversifying the evidence base here. This is not a critique of the quality of EPA data (on the contrary), however, some international agencies may have more robust long-term trend data than a reliance on US data alone. This is important given the global scope of operations of US companies.</li> </ul>
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Add Issue	Market Participant	Disclosure and labelling	One of the trends that are driving the importance of sustainability performance in this Industry are the consumer trends, as stated in the Industry Brief of SASB, and which I would complement with the concerns around deforestation (see the business consequences of Greenpeace's "Slaughtering the Amazon") as well as main sector risk revealed by RepRisk.com. In order to address these consumer concerns and protect company's value against negative publicity, performance in the suggested topic is material for company's credit profile.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Corporations	Yes	Huge issue with deforestation in the cattle industry globally. Suggest you look into the rainforest alliance beef certification process and the Marfrig Beef purchasing club.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Corporations	Yes	Need context for use of number of non-compliance incidents. How many permits are involved? 10 NOVs if a company has 100 permits is much better than 2 NOVs if you only have 10 permits.



Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Corporations	Maybe	<p>The draft report needs to differentiate between systems. Production intensity and emission intensity are inversely related. The global impact of livestock on emissions is as high as 14 percent. (Mitloehner) But developing countries with less efficient livestock production systems are the highest contributors. In developed regions like the United States, livestock are only estimated to contribute 3.4 percent of the overall emissions, with 2 percent coming from dairy (and even less from pigs and poultry).</p> <p>As production per cow becomes more efficient, the environmental footprint is reduced. This is demonstrated by comparing milk production and methane output between a U.S. dairy cow and her counterpart in Mexico – what Capper has done. The U.S. cow will produce five times more milk each year, while giving off only a quarter of the methane of the cow in Mexico.</p> <p>This comparison is an example of how modern technologies improve production per animal, thus reducing the number of animals needed to contribute to the overall supply of product. Better health, fertility and genetics contribute to the need for fewer animals.</p> <p>In the U.S., milk production has increased by 60 percent since 1950, even though the dairy herd has decreased by 16 million head. Further, when these more efficient animals consume better quality feed, methane emissions per animal are decreased. In fact, the carbon footprint of a glass of milk is two-thirds smaller than it was 70 years ago.</p> <p>Example cites. • Montpelier Panel, 2013. Sustainable Intensification is a path towards the goal of producing more food with less impact on the environment, intensifying food production while ensuring the natural resource base on which agriculture depends is sustained. In simple terms intensification can be defined as producing more units of output per units of all inputs and through new combinations of inputs and related innovations. It involves improving physical input-output relations and increasing the overall efficiency of production. Conventionally, intensification has aimed to raise production, yields and/or income per unit of land, through greater investment of capital or labor and higher use of inputs such as fertilizer or pesticides, but intensification can take many forms dependent on climate and land, household resource endowment and socio-economic states, individual choice and market demands.</p> <p>• Chicago Council on Global Affairs, May 2013. Adopts Montpelier Panel conclusion. Science must focus on sustainable intensification of ag. Farmers need technology and techniques to</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>make more food with less energy and less inputs (less water, fertilizer, pesticide, and land). Innovations are different than the Green Revolution which delivered improved varieties of corn and wheat without regard to environmental impacts (those crops need intensive irrigation, inorganic fertilizers, pesticides and mechanization).</p> <ul style="list-style-type: none"> <li>• UN FAO, Towards the Future We Want, 2012. Sustainable Intensification is defined as producing more from the same area of land while reducing negative environmental impacts and increasing contribution to natural capital and the flow of environmental services. The concept applies to cropping systems, livestock, aquaculture and forestry.</li> <li>• Boyd, 2012. The conventional pork industry has reduced water use by 41%, land use by 78% and GHG emissions by 35% per pound of meat.</li> </ul>
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Market Participant	Yes	the environmental impacts of meat, poultry and dairy industry are significant and growing with the rising levels of production. one example of a study analysing these impacts for the poultry production: <a href="http://www.fao.org/Ag/againfo/home/events/bangkok2007/docs/part2/2_2.pdf">http://www.fao.org/Ag/againfo/home/events/bangkok2007/docs/part2/2_2.pdf</a>
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Market Participant	Yes	This environmental factor is correlated with climate and water- when not managed, contributes largely to GHG emissions and to water risk.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Market Participant	Yes	Land footprint of beef is 38 m <sup>2</sup> /kg, pork is 10, chicken is 9. Meat substitutes: soy is 2.5 and seitan is 1 m <sup>2</sup> /kg
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Market Participant	Yes	So far, meat companies have successfully protected themselves from ecological responsibility by using contract farmers. This is likely to continue to be challenged in court (see lawsuit filed against Tyson in Oklahoma). Since the meat companies have operational control over the farmers, it can be used as a lever to hold companies legally liable. Eventually, companies will be held accountable for environmental externalities.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	The meat, poultry and dairy industry rely upon the land on many levels, but mainly for the feed to support and grow the animals. Land use practices and the ecological impacts have a direct impact on the viability of their business (ruining the land means that the animals can't be fed) and the attendant costs of the business (the worse the condition of the land the harder it will be to harvest feed grains, etc.)



Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	<p>No other food impacts as vast an area of American lands as livestock grazing (mainly for beef, dairy and sheep production). In the United States, over 780 million acres — an area twice the size of Alaska — is grazed by livestock (mostly beef cattle), and scientists estimate that more than half of these lands are poorly managed. The land use and ecological consequences of this poor management can include (all relevant to a supply chain's natural resource health, stability and resilience to drought and climate change - see also below answers):</p> <ul style="list-style-type: none"> <li>• Soil erosion: According to a Cornell University study, one hectare of pastureland loses 6 tons of soil every year to erosion. However, one hectare of overgrazed pasture can lose more than 100 tons of soil to erosion in one year, and 54 percent of U.S. pastureland is being overgrazed.</li> </ul> <p>- Scientists estimate that poor grazing management contributes to the decline of 22 percent of threatened and endangered species, nearly as many as logging (12 percent) and mining (11 percent) combined. - Where poor ranch management causes weed invasions, the weeds not only displace our precious native plants and wildlife, but then ranchers and farmers have to spend money to control them (over \$100 million each year in Montana alone) with toxic herbicides that, in turn, can wash into and pollute our waterways.</p> <ul style="list-style-type: none"> <li>• Land conversion: Here in the U.S., 23.6 million acres of grasslands, wetlands and shrublands were converted to row crops (particularly corn—much of that ending up as feed for farm animals)—between 2008 and 2011 alone. This and other forms of conversion of natural ecosystems for beef production purposes are destroying our precious grassland heritage and releasing large amounts of carbon from the soil (where it is beneficial) into the atmosphere (where it accelerates climate change). Of course, the effects of tropical deforestation associated with beef production are the most devastating type of land conversion - both for biodiversity and our climate.</li> <li>• Vulnerability to drought: These impacts of poor management increase the vulnerability of our grazinglands to drought. When it is so dry that not enough grass grows to feed the cattle, ranchers have to feed them hay (often termed "supplemental feed"); scientists estimate that climate change could increase supplemental feed costs by up to \$235 million per year for California's ranching industry alone. (see - <a href="http://www.energy.ca.gov/2009publications/CEC-500-2009-025/CEC-500-2009-025-F.PDF">http://www.energy.ca.gov/2009publications/CEC-500-2009-025/CEC-500-2009-025-F.PDF</a>)</li> </ul>
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					<p>Fortunately, a growing number of ranchers and farmers are improving their land management using science and the experiences of other ranchers. As a result, their ranches are more productive, and local ecosystems are thriving as they support healthy soil, water quality, and plant and animal life. These leaders are making an important difference in conserving and restoring America's grazed ecosystems, and the proportion of company supply chains that includes these well-managed operations is very much material to the long term stability and success of companies.</p> <p>For example, well-managed grazinglands, which include both rangelands (grazed natural grasslands and other ecosystems, mostly in the western U.S.) and pastures (farmland planted with grass to graze livestock, mostly in the eastern U.S.), provide society with valuable ecosystem services, including:</p> <ul style="list-style-type: none"> <li>• Reducing carbon pollution by storing it in soil: Scientists have found that converting land from crops to well-managed grazed grassland absorbed enough carbon in the soil to offset all other emissions from the beef produced on that land.</li> <li>• Conserving our national heritage and protecting biodiversity: Well-managed ranches provide habitat for wildlife and brilliant displays of native wildflowers - important components of our natural heritage that could also offer these producers additional revenue opportunities.</li> <li>• Providing recreational opportunities: Livestock management practices that reduce erosion and improve water quality help make lakes and rivers cleaner for swimming, fishing, and boating.</li> <li>• Conserving scenic landscapes: In areas where land is being converted to subdivisions or commercial enterprise, well-managed ranching can help conserve scenic rural landscapes, which have been shown to maintain and increase land real estate value.</li> </ul>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	This sections needs much more clarity - on the one hand it talks about land degradation and deforestation (which leads to loss of carbon from soils and trees and therefore is a source of GHG emissions) , but then also talks of waste water run off and biodiversity loss.  Would suggest that impacts from lans use change be captured under GHG emissions and biodiversity loss, and pollutant management be captured in this category.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	Land use explains American exceptionalism ... the combination of lots of land and lots of effort produces easy wealth, but the American way has also done immense damage to 'natural capital' while creating substantial financial capital. Converting virgin forest to cattle ranches has immense ecological impact that must be accounted for in a meaningful way.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Yes	Materiality of land use can be relative because intensive farming may be able to produce more in less space. The problem then becomes about animal welfare and energy consumption which can be compensated with solar or wind power.
Meat, Poultry & Dairy	Land Use & Ecological Impacts	Material Issue?	Public Interest & Intermediaries	Maybe	The immediate threat of this aspect to financial bottom-line is lacking. Land use and biodiversity are only indirectly linked to the short-term productivity of livestock production systems. Failure to manage this aspect could lead to consumer response and loss of local social license.



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Meat, Poultry & Dairy	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>The brief appropriately identifies the material sustainability issues in this industry, however I had the following concerns:</p> <p>_The exclusion of the impacts of seafood is not transparently justified. Given the rapid depletion of fishing stocks due to overfishing, many companies that operate in this space could face supply chain disruptions in the future.</p> <p>- A clearer definition is needed for each of the material issues identified along with greater specificity about what is included in that issue.</p> <p>- In some cases, the metrics are not well aligned with the issue. Further , each of the metrics need to be specified more clearly (eg, what does gross scope 1 emissions mean).</p> <p>- A key issue with the metrics is that it is not clear what geographic scope they cover since many companies have fragmented, global supply chains. Further, metrics like emissions from enteric fermentation are difficult to collect .</p> <p>In general, there is a need to think through metrics more carefully so that they are streamlined, feasible and cost-effective for companies to monitor and report.</p>
Meat, Poultry & Dairy	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>While I appreciate the need for a balance between too many and too few metrics, I think some of the material issues need additional metrics to capture the nuances of the issues. At a minimum, companies should be told that the metrics are not exhaustive of the metrics that might be material to their businesses. If the SASB standards are widely used, as expected and desired, then it is important that companies understand the importance of full disclosure on all material risks/opportunities because they will never disclose more than is expected and/or demanded of them. I am happy to discuss this or other issues with someone at SASB, in light of my experience in the industry and as a corporate attorney.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Meat, Poultry & Dairy	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	My expertise is pretty limited to animal welfare issues, so while I judged all the other metrics to be good, my opinion on climate change and other topics should not be weighed as heavily as someone with substantial background in these areas.
Meat, Poultry & Dairy	New Angle	Add Issue	Market Participant	Food health, beyond food safety [FOOD SAFETY]	fat, salt and calories content o meat and processed food as impact in obesity and hearth diseases
Meat, Poultry & Dairy	New Angle	Add Issue	Public Interest & Intermediaries	Fraud (corruption ) [FOOD SAFETY]	Food Safety is about the risk of making people sick with contaminated food. But there is a growing interest in food fraud in food safety management because altering food may also have health consequences and economic impacts.
Meat, Poultry & Dairy	New Angle	Add Issue	Public Interest & Intermediaries	[FOOD SAFETY]	Antibiotic use should be separate from food safety
Meat, Poultry & Dairy	New Issue	Add Issue	Corporations	Waste [WASTE MANAGEM ENT]	Waste in production of meat, poultry and animal products which could include animal waste, packaging waste, production waste (such as acid whey when producing dairy) that has cost and risk associated in its disposal.
Meat, Poultry & Dairy	New Issue	Add Issue	Corporations	[WASTE MANAGEM ENT]	Amounts of solid and/or hazardous wastes generated and disposed of in landfills.
Meat, Poultry & Dairy	New Issue	Add Issue	Corporations	[FOOD WASTE]	So much food gets wasted globally and producers have a responsibility to ensure packaging optimizes shelf life and that proper consumer education programs are in place.
Meat, Poultry & Dairy	New Issue	Add Issue	Corporations	[AIR POLLUTION ]	How much NOx, SOx, VOC, PM, Lead, CO etc are emitted?



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	New Issue	Add Issue	Market Participant	Immigration [WORKING CONDITIONS]	These companies rely heavily on an immigrant workforce - undocumented workers are frequently found, wage theft is a concern, etc. A change to immigration policy may affect their workforce.
Meat, Poultry & Dairy	New Issue	Add Issue	Public Interest & Intermediaries	[WASTE MANAGEMENT]	If poorly managed, waste can create regulatory actions and burdens.
Meat, Poultry & Dairy	New Issue	Add Issue	Public Interest & Intermediaries	Use of labor [WORKING CONDITIONS]	There is a growing interest in controlling better the use of migrant workers in the farms.
Meat, Poultry & Dairy	New Issue	Add Issue	Public Interest & Intermediaries	[ENERGY MANAGEMENT]	There is reference to generation of GHGs ... but would be good to associate the use of energy as a separate matter.
Meat, Poultry & Dairy	New Issue	Add Issue	Public Interest & Intermediaries	[WASTE MANAGEMENT] + [FOOD WASTE]	Managing solid waste is a significant cost to this industry. Sustainable practices such as composting and package reduction should be encouraged by adding this metric to disclosures.
Meat, Poultry & Dairy	New Issue	Add Issue	Public Interest & Intermediaries	[ENERGY MANAGEMENT]	Energy is a major costs to operations in this sector.
Meat, Poultry & Dairy	New Issue	Add Issue	Public Interest & Intermediaries	[COMMUNITY RELATIONS]	Many livestock facilities hurt local economies by lowering property values, causing odors and pollution. It would be great to see a "good neighbor" score that is crowd sourced from local communities where company facilities are located.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	No action needed	Add Issue	Public Interest & Intermediaries	Use of comprehensive multi dimension impact accounting	Conventional accounting only addresses performance from the money profit perspective and impact on financial capital. A more comprehensive system of accounting will address the impact on all the capitals: human capital, social capital, physical capital, institutional capital, intellectual capital and natural capital.
Meat, Poultry & Dairy	No action needed	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	Yes, partially and some extra information based on what my own research for an upcoming book on sustainability
Meat, Poultry & Dairy	No action needed	Other Comment	Market Participant	D.N.A. - Other Comment	Although regulation that requires companies to report and mitigate impacts may not yet exist or be binding for most of the issues outlined in the Brief and questionnaire, companies that are proactive face risks.



Meat, Poultry & Dairy	SASB Approach	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	<p>I want to do a reality check. There are lots and lots of questions, but in the end what can I do with the answers. We have had fifty years of getting more and more data, and yet decisions are not much better because the data are not helping in the way they should be.</p> <p>This questionnaire has been all about defining things but to what end. There is a need for a system of accounting that addresses all the issues implied by the word sustainability, and I don't see this at all in this questionnaire and the standards being defined.</p> <p>What is Sustainability Accounting? Is it merely a pile of questionnaires or is it something more. Conventional financial accounting has a single unit of measure (money) that is used to quantify everything that is impacting financial capital and there is real clarity about what is state (going into the balance sheet) and what is flow (going into the profit and loss account). Conventional accounting also has very strong rules about how 'consolidation' takes place ... but law and FASB allows all sorts of reporting avoidance so that issues in a supply chain (for example) can be ignored in the analysis of company performance.</p> <p>I see the need to expand conventional accounting for impact on financial capital to be expanded so that sustainability accounting addresses impact on all the capitals: physical capital, human capital, social capital, institutional capital, intellectual capital, and natural capital.</p> <p>Conventional accounting also has a focus on the performance of an organization. There is a need for a system of accounting that not only addressed the multiple capitals but also looks at the progress and performance of society and the economy from different perspectives ... specifically from the perspective of people, place, planet and product. The system should allow for optimization so that we get the most benefit flowing into people (human capital) while the least damage is being done to the other capitals, especially natural capital.</p> <p>Typically accounting is about what has happened (historic accounting, if you will) and financial analysis tend to project into the future and compute value based on the present value of the future. This is how capital markets work for financial capital, and we should be able to do something like that for the other capitals.</p> <p>We should be careful about using the standard formula for present value which discounts the future. Rather there should be some better thinking about how to take into account in present value the impact of risk that has the potential to be calamitous.</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
					Food is vital ... but it is also doing huge damage to natural capital and maybe also doing more damage to human capital than we want to admit.
Meat, Poultry & Dairy	SASB Approach	Other Comment	Market Participant	D.N.A. - Other Comment	Thank you very much for this work. I hope my contribution was helpful.  While I understand that SASB seeks to focus on the most material issues, and that some that I have added do not exactly respond to this criteria (long-term strategy, biodiversity impacts...), it can be useful to provide, in addition to the future KPIs, an outlook to issues that can become material at a later stage, and that the market should be aware of.
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Corporations	Yes	Transparency across the supply chain ties into animal welfare and food safety and quality. Supplier expectations are crucial.
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Market Participant	Yes	Whole Foods standards for their meat producers (and fishing)
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Market Participant	Yes	Often the greater impacts are in the supply chain. for example, feed grown for livestock and dairy are affected by water (drought, availability of quality water) and climate change effects.
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Market Participant	Yes	Meat production is vertically integrated, with the producers having operational control over the suppliers. As mentioned earlier, the companies are susceptible to disruptions due to worker health and safety, animal disease (PedV), and pollution.
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Much more specificity is needed on what the supply chain risks are - it would be helpful to provide a bulleted list of specific risks, and certain terms like "environmental externalities" are unclear . For example, one of the primary causes of deforestation in the Amazon is soy that is used to make cattle feed. <a href="http://assets.wwf.org.uk/downloads/soy_and_beef_briefing_280611.pdf">http://assets.wwf.org.uk/downloads/soy_and_beef_briefing_280611.pdf</a>  Even though under the evidence section, it talks about how feed is a key sustainability issue , the metrics don't clearly relate to this.
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	This could also apply under Worker Health and Safety: <a href="http://www.reuters.com/article/2013/11/19/us-usa-labor-hawaii-idUSBRE9AI03H20131119">http://www.reuters.com/article/2013/11/19/us-usa-labor-hawaii-idUSBRE9AI03H20131119</a>





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Failure to manage supply chains can negatively affect supply, the quality, and cost of key products and resources from suppliers. Cost and risk management requires having a dependable and reliable supply chain
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Supply chain management is very material. The main reason is that consumers and other stakeholders are demanding transparency. They want to know where their food comes from. And, the industry is organized now such that most people are buying from big companies that are at least a few (if not many) steps away from the food source. Feed producers, meat producers, meat/dairy processors, distributors, retailers & food service operators are all part of the supply chain. Issues any where in the chain can be material depending on the size of the company and its reliance on any particular supplier. Companies need to address this issue.



Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	<p>Businesses, investors and consumers alike have an opportunity to make a difference in advancing better beef (and livestock) production practices by voting with their purchases. However, beef and other meat and dairy buyers from McDonald's and Walmart to Chipotle and Whole Foods admit that they need a simple way to recognize sources of better beef (and other meats, dairy...) in the marketplace.</p> <p>While more and more brands are claiming to offer better beef (and other meat, dairy) products, consumers right now have a difficult time determining whether marketing claims are accurate or whether they are unsubstantiated "greenwash." For example, some beef marketed as "sustainable" is explained to be "natural." Such terms are inadequate for recognizing credibly better beef because they fail to verify humane treatment of animals, fair treatment of workers, or whether they were produced on well-managed grazing operations and responsibly managed feedlots. On the other hand, some retailers like Whole Foods and brands like Estancia are making more transparent claims and are actively taking action to improve their supply chains. While these are important steps in the right direction, they still fail to "comprehensively" address the full range of impacts of beef producing operations, including those on our environment, public health, animal welfare and worker safety.</p> <p>Alarming, for the 97 percent of U.S. beef cattle that are finished on feedlots, it isn't even possible to verify whether the feedlots manage their manure waste responsibly, or if it is polluting our air, streams, and groundwater (including drinking water). Often, even pollution control officials (much less consumers) do not know basic facts about these operations, such as how many animals are produced there, what the operation does with its manure, or simply where feedlots are located. Additionally, there is seldom much in the way of information about how feed was produced. For example, did the feed crop producers over-apply fertilizer in a manner that contributes to the formation of aquatic deadzones? Did they use highly-toxic pesticides that are endangering critical pollinators? Were production practices highly carbon intensive?</p> <p>Several programs offer partial solutions for recognizing verifiably better beef and other meats and dairy. For example, to avoid toxic pesticides, synthetic fertilizers, non-therapeutic antibiotics uses, and genetically-modified organisms (GMOs), consumers can look for USDA (and other forms of) organic-certified meats and dairy. To purchase beef from producers who treat their animals humanely, buyers can seek Animal Welfare Approved or Whole Foods' GAP</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>program. To purchase beef that comes from cows produced entirely on grazinglands (avoiding the impacts of feedlot production), buyers can purchase grass-fed. Yet for grass-fed to mean credibly and holistically better still requires a trustworthy way to know whether the producer used good grazing and ranch management practices. All of these different labels may confuse business and consumer meat and dairy buyers, who need one simple way to recognize which products were produced using responsible grazing, feedlot and feed crop management practices -- meats and dairy they can trust to be better during all stages of its production.</p> <p>Our science-based standards assessments have found only one comprehensive programs -- Food Alliance (serving the US and Canada) and the Sustainable Agriculture Network (utilized by Rainforest Alliance certified) -- that take into account the health of grazed ecosystems, in addition to how ranchers and farmers maintain forests/avoid deforestation, grow grass and feed crops, and treat animals and agricultural workers. The beef supply chain (as well as those of other meats and dairy) badly needs a new program that will enable buyers to recognize -- and drive more business to -- the producers who are leading the charge toward credibly and holistically better supply chains.</p>
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Supply Chain is used to optimize for profit and is often a legal subterfuge for escaping from responsibility for bad practices of various sorts in the supply chain allowing for low costs and high profits and appalling conditions.
Meat, Poultry & Dairy	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	From my perspective Supply Chain management is about security (to have a stable supply of materials) and costs (cutting intermediaries may reduce some costs).
Meat, Poultry & Dairy	Survey Comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>-seems like a great effort.</p> <p>-writing in this tiny box was challenging!</p> <p>-By forcing a response to all questions I fear you have collected some bad data in a few places. I'm sure you'll read the comments and find them.</p>
Meat, Poultry & Dairy	Water Management	Material Issue?	Corporations	Yes	Drought has a huge impact on commodity prices for animal feed.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Water Management	Material Issue?	Corporations	Yes	I like water usage per unit of production as a metric. Most slaughterhouses currently use this as a metric anyway as the cost of water and wastewater treatment is a big expense.
Meat, Poultry & Dairy	Water Management	Material Issue?	Market Participant	Yes	Availability, quality, efficiency and cost are all critical.  Also consider looking at leakage from evapotranspiration and transmission, smart metering for ranchers and farmers  <a href="http://sensus.com/smartwaternetworks">http://sensus.com/smartwaternetworks</a>
Meat, Poultry & Dairy	Water Management	Material Issue?	Market Participant	Yes	<a href="http://www.ipcc.ch/report/ar5/wg3/">http://www.ipcc.ch/report/ar5/wg3/</a>
Meat, Poultry & Dairy	Water Management	Material Issue?	Market Participant	Yes	70% of global water withdrawal comes from agriculture: <a href="http://www.fao.org/news/story/en/item/216137/icode/">http://www.fao.org/news/story/en/item/216137/icode/</a>
Meat, Poultry & Dairy	Water Management	Material Issue?	Market Participant	Yes	- Stockholm International Water Institute: Feeding A Thirsty World – Challenges and Opportunities For a Water and Food Secure Future  - Stockholm International Water Institute: In 2050 we will only have enough water to support diets with 1/4th the animal content of today’s Western diets
Meat, Poultry & Dairy	Water Management	Material Issue?	Market Participant	Yes	Large amounts of water are required to wash the meat products. Initiatives to reduce water use are a cost cutting measure, which is very important in this industry, which has very slim profit margins.
Meat, Poultry & Dairy	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Water availability can constrain production and company growth. Failure to manage water quality impacts can lead to costly regulatory burdens and possibly loss of local social license.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Fresh water is essential to growing the animals for this industry, and water is increasingly seen as a scarce resource. Poor water management can deplete water supplies and/or make water recovery much more expensive and time-consuming, with attendant impacts (e.g., transporting water from remote areas). Compliance with regulations plays a key role here too for companies. Even though livestock, for example, represents a very small percentage of global freshwater consumption, the issue can have material impacts particularly in dry areas and regions of high water stress.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	<p>The U.S. Environmental Protection Agency reports that of the 129,543 miles of assessed rivers and streams found to be threatened or impaired by agriculture, top offenders include “grazing in riparian zone or shoreline zones” (33,045 miles), “livestock (grazing or feeding operations)” (20,720 miles), “animal feeding operations” (18,896 miles) and “rangeland grazing” (18,558 miles). Furthermore, inefficient water use depletes reservoirs and groundwater supplies. In California, for example, the nearly 1 million acres of irrigated pasture require as much water as a city the size of Shanghai, China.</p> <p>Fortunately, best practices for protecting water quality and maximizing water use efficiency can generate important environmental and financial benefits alike. For example, mechanisms on grazing operations (beef and dairy cow/calf, stocker, and grass finishing operations) include:</p> <ul style="list-style-type: none"> <li>• Filtering rainfall runoff to maintain and restore water quality: Healthy vegetation on well-managed grazinglands cleanses runoff by trapping sediment before it can reach waterways, while runoff on poorly managed pasture pollutes surface waters.</li> <li>• Enhancing recharge of ground and surface waters: Healthy rangeland and pasture grasses and forage enable ranchers to get more out of every drop of rainfall by slowing runoff, so that more rainwater is absorbed into the soil instead of flowing off the pasture and into waterways. Healthy soils absorb water like a sponge, keeping more in the system to support productive grasses and livestock — and native plants and wildlife. This reduces the vulnerability of ranches and farms to not only droughts, but also floods.</li> </ul> <p>Of course responsible water management by irrigated pasture, feedlot, feed crop and processing operations includes optimizing water use efficiency, cutting costs while also reducing exposure to and the severity of drought risks.</p>
Meat, Poultry & Dairy	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	<p>The cost of water as a material is usually neglected, but the cost of purifying water can have an economical impact. So, the trick may be how the company finds cleaner sources of water to save on their purification.</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Corporations	Yes	Like many industries this is a critical issue,
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Market Participant	Yes	Intensive farming can cause increased infections and illnesses in poultry production, some of which are transmissible to humans. <a href="https://www.gov.uk/poultry-health">https://www.gov.uk/poultry-health</a>
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Market Participant	Yes	This industry's record for workplace health and safety is among the worst. The continual desire to increase line speeds will only serve to exacerbate the industry's poor performance. It will also increase legal risk.
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Yes	<p>Fry, C.L. and I. Lee, "OHS Sanctions and the Value of the Firm," Financial Review (24), 1989; see also Marcus, A.A. and R.S. Goodman, "Victims and Shareholders: The Dilemmas of Presenting Corporate Policy during a Crisis," The Academy of Management Journal 34, 1991.</p> <p>See also UFCW's safety committee guide posted on their international branch website for a fuller listing of sector-related workplace health and safety issues (compared to those covered in the brief on pages 12-13.</p> <p>Unfortunately while not tailored specifically to the meat and poultry sector, there might be some useful academic studies on implications of OHS for firm value in the bibliography of this report (see page 14 onwards) <a href="http://www.share.ca/files/12-4-27_Investor_Guidance_on_OHS_-_Final.pdf">http://www.share.ca/files/12-4-27_Investor_Guidance_on_OHS_-_Final.pdf</a></p>
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Yes	Failure to manage workforce health and safety can lead to fines and regulatory actions which affect the bottom line and may lead to difficulties in attracting and retaining quality employees and directly and indirectly affect productivity.
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Yes	The public and investors have zero tolerance for poor labor practices and the attendant risks. Mismanaged workforce health & safety can have a big impact on a company's reputation and valuation. This applies to all industries, although mostly discussed in connection with textiles.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Yes	We hope that SASB is working with labor groups to illuminate the many serious challenges in this area. For US livestock production we recommend you reach out to Food Service & Commercial Workers, Oxfam, and United Farm Workers as a start.  see: <a href="http://www.nrdc.org/health/raisingresistance.asp">http://www.nrdc.org/health/raisingresistance.asp</a>  <a href="http://www.cdc.gov/drugresistance/threat-report-2013/pdf/ar-threats-2013-508.pdf">http://www.cdc.gov/drugresistance/threat-report-2013/pdf/ar-threats-2013-508.pdf</a>  <a href="http://www.nrdc.org/food/files/saving-anitbiotics-med-quotes-FS.pdf">http://www.nrdc.org/food/files/saving-anitbiotics-med-quotes-FS.pdf</a>
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Yes	Workplace health and safety is only part of the human capital issue. Low wages have an impact on quality of life for the employees, their families and the communities where they live. Health and safety are only the tip of the iceberg.
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Yes	Health & Safety fines may be heavier than food safety fines because they can be easily tracked. So, this is one of the most obvious risks that manufacturing companies manage.
Meat, Poultry & Dairy	Workforce Health & Safety	Material Issue?	Public Interest & Intermediaries	Maybe	Workplace health and safety is a material issue - its inclusion is appropriate.
Non-Alcoholic Beverages	Climate Change Adaptation	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	I would have liked more information on the climate change risks of agriculture and how they could affect the beverage companies
Non-Alcoholic Beverages	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	Extremely well structured process. Congratulations. Am deeply honored and grateful for the opportunity to have participated in this historic process. Thank you for your hard work and professionalism.
Non-Alcoholic Beverages	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	Very thorough survey.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	Companies in this sector can have significant energy footprints with respect to the energy required for sterilisation or for injection blow moulding of bottles.
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	Material, but our direct business is not a huge user compared to other sectors.
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	No	Although an important piece of information for investors, I cannot see how the information can be collected in a way that it can be compared against a benchmark or peers.
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	Maybe	I don't believe that this industry is a big contributor to green house gas emissions
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	Another key to this industry is transportation of water and related energy management.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	Energy and GHG efficiency are important, some products are starting to differentiate themselves for the use of clean energy
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://media.wix.com/ugd/49d7a0_6339d006853c4d3bbdf6087b43d91580.pdf">http://media.wix.com/ugd/49d7a0_6339d006853c4d3bbdf6087b43d91580.pdf</a>
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	No	For the food and beverage sector energy and GHG emissions seem to represent a much lower level of risk than the other elements proposed. From an investment standpoint, I would be much more interested in water, supply chain etc. than energy and GHG emissions. GHG emissions might present a risk to the sector, but it would more likely be in the form of climate change impacts that would cause impacts through the supply chain and access to natural resources. This risk would be best captured under supply chain.
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	lacking "carbon" legislation in the US this is not as material as it once was or is perceived to be. for me the issue of materiality relates to volatility of fuel/energy costs
Non-Alcoholic Beverages	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	This is only material if thinking about a time horizon longer than most investors today consider.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Health & Nutrition	Add Issue	Corporations	Inclusion of stimulants such as caffeine and guarani a	Because they may have Significant health impacts, particularly on younger children and/or persons with low body mass.
Non-Alcoholic Beverages	Health & Nutrition	Add Issue	Public Interest & Intermediaries	Food Safety Management	Food and Beverages companies are affected by food safety issues (recalls, closures)
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Corporations	Yes	CSDs are a subject of genuine concern with respect to the level of added sugar, total calories and the %RDA equivalents that they constitute if consumers' diets.
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Corporations	Yes	FDA Food Safety Modernization Act: <a href="http://en.wikipedia.org/wiki/FDA_Food_Safety_Modernization_Act">http://en.wikipedia.org/wiki/FDA_Food_Safety_Modernization_Act</a>
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Corporations	Maybe	It should be a disclosure topic - the reservation is with the frameup of zero low artificial accounting metrics. It comes into a value judgement rather than a positive attributes vs. reduced/better for you attributes vs. negative attributes
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	Health & Nutrition are critical because of the taxation on junk food and the position of products in the market
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	social tolerance for unhealthy foods and beverages is growing particularly as it relates to young people and rising social costs of obesity.
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	Industry Analysts at UBS in a report released July 7 regarding The Coca-Cola Company specifically indicated that growing health concerns have affected their growth. Analysts are looking at this indicator.
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Maybe	Health and Nutrition are personal choices. Public education is more important on this item. Companies in the beverage industry will produce what sells. Clear labeling (see tobacco industry) is a better way forward.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Maybe	While this is material for many in this industry, it is NOT material for ALL non-alcoholic beverage industry companies. Per the definition of materiality as provided on this survey, omitting this information would ONLY alter the total mix of information IF the non-alcoholic beverage company produces caloric drinks or potentially drinks with artificial sweeteners. E.g., this would NOT be material for a beverage company that only produces bottled water or un-sweetened iced tea.
Non-Alcoholic Beverages	Ind. Brief comment	Innaccuracy	Market Participant	D.N.A. - Inaccuracy	The brief notes that revenue from soft drinks was \$20.4 billion in the U.S.; Beverage Digest reports \$76.3 billion for carbonated soft drinks. The data in the brief and the BD data admittedly measure different things (revenue vs. retail value), but the numbers seemed starkly different.
Non-Alcoholic Beverages	Ind. Brief comment	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Inaccuracy	<p>p2 para 1: Coke didn't gain access to bottling operations overseas - they SOLD operations overseas (Scandinavia) and gained control of the US market. Coca-Cola Enterprises (an independent bottler) operates in Europe, and CCR (a TCCC owned operation) operates in the USA and Canada. Germany operations were always owned by TCCC.</p> <p>TCCC = The Coca-Cola Company (not Coke - Coke is the Brand not the Company).</p> <p>Glaceau needs a spellcheck: Glacéau</p> <p>Pepsi should be referred to as PepsiCo not Pepsi (Pepsi is the Brand not the Company).</p> <p>P3: "young children under the age of 12" is redundant.</p> <p>p6-7: there is a lot of discussion of electricity consumption as a material issue, but Scope 2 emissions are not referenced as a metric. This should be remedied. Most beverage companies are already measuring this and the BIER GHG guidance requires it.</p>
Non-Alcoholic Beverages	Ind. Brief comment	Innaccuracy	Public Interest & Intermediaries	D.N.A. - Inaccuracy	I did not see inaccuracies, but I wanted to comment. I found some of the supporting evidence to be outdated (a side effect of the lagging nature of sustainability reporting) and slightly misleading. E.g., just because a company reports on information does not make it material to an investor. The company may be reporting for other stakeholders.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Ind. Brief comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	more charts and tables would make it easier to understand. Show supply chain data for major beverages. Separate numbers for production and distribution.
Non-Alcoholic Beverages	Ind. Brief comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	I believe the industry summary can be tightened and a bit, suggest broader representative company list as is to soft-drink dominated, too Coca-Cola dominated and lacks better representation of bottled water industry (all the spring water and private label producers), coffee (e.g. Starbucks, Caribou, etc., ready to serve teas, dairy products and juices is lacking. Not sure this would change the outcome, but feel could improve representation.  Secondly, subjective use of the words "large, significant, high" are used to describe consumptions or resource use should be avoided unless comparative factual information is presented to support the qualification. I would ask "high compared to what". under the energy mgt. discussion you refer to Food & Bev. being fourth highest in total energy used and GHG emissions - this is somewhat misleading on two points 1) 4th if a far ways from no. 1 & 2 ranked industries, and 2) food production is disproportionately much higher than non-alc. beverages, I do believe.
Non-Alcoholic Beverages	Industry insights	Add Issue	Public Interest & Intermediaries	Research and Development	Food and Beverages sector is very competitive, companies are demanded to be creating new products all the time.
Non-Alcoholic Beverages	Industry insights	Comment on Brief	Public Interest & Intermediaries	D.N.A. - Comment on Brief	The research brief was too heavily focused on coke and Pepsi. While they are obviously the two largest players, they should not be viewed as representative of the entire industry.
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Corporations	Yes	NAB manufacturers should be responsible in how they disclose ingredient, calories and sourcing for atoms.
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Corporations	Maybe	Not a material issue for us now, but will be in the future.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Corporations	Maybe	% containing GMO's creates risk of value judgement rather than positioning it as presence or lack of disclosure in labeling GMO ingredients.
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Corporations	Maybe	See above.
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Market Participant	Yes	Not entirely clear that KO's "Plant Bottle" initiative actually reduces packaging life cycle. May help reduce greenhouse gases but not packaging lifecycle. This should be disclosed so as not to give appearance of "greenwashing"  <a href="http://www.slate.com/articles/health_and_science/green_room/2011/06/plastic_by_any_other_name.html">http://www.slate.com/articles/health_and_science/green_room/2011/06/plastic_by_any_other_name.html</a>  <a href="http://www.ibtimes.com/coca-cola-company-ko-responds-greenwashing-charge-criticism-plantbottle-half-empty-1403284">http://www.ibtimes.com/coca-cola-company-ko-responds-greenwashing-charge-criticism-plantbottle-half-empty-1403284</a>
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	Consumer expectation and increase in transparency due to e-technologies makes this a material issue, one that represents a risk and opportunity for those wishing to meet the growing ex[pectations and manage available informaiton about their products
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	Information on labeling and marketing practices can give an idea of the strategic positioning of the company in the market.
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	The industry is already working hard to self regulate in this area. Clearly the industry believes it is material
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	No	This is an important issue for many companies, but omitting information on this topic would not necessarily alter the mix of information for investors.
Non-Alcoholic Beverages	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Maybe	very difficult to develop clear labeling standards globally. Public water standards are more important



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Non-Alcoholic Beverages	Metric comment	Other Comment	Corporations	D.N.A. - Other Comment	Some metrics are creating dangerous precedents in terms of commercially sensitive information that could lead to competitive disadvantages for an "honest" supplier who is 100% compliant over a company which lacks the same transparency.
Non-Alcoholic Beverages	Metric comment	Other Comment	Corporations	D.N.A. - Other Comment	With regard to indicators that require lab testing on ingredients, toxins, and GMOs, I suggest an opt-out for beverages for which there are no known risks (such as coffee) to avoid unnecessary costs.
Non-Alcoholic Beverages	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	The Beverage Industry Environmental Roundtable has many documents for water and GHG accounting and reporting - these are the defacto industry standard at this time.
Non-Alcoholic Beverages	Metric comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	Based on research experience in sustainability reporting in the sector I would like to highlight that absolute quantities may not be that useful for comparisons (comparable) and there is a tendency in the reports to use that type of metrics instead.
Non-Alcoholic Beverages	New Angle	Add Issue	Corporations	[WATER MANAGEMENT]	Water management is one part of the bigger picture of landscape management and biodiversity. Organizations should be measured on how well they are managing the holistic environment.
Non-Alcoholic Beverages	New Angle	Add Issue	Public Interest & Intermediaries	[WATER MANAGEMENT]	Quality of public water supply has to be more transparent. Industry should support this. Why can we use public water in coffee and not in other beverages?
Non-Alcoholic Beverages	New Angle	Add Issue	Public Interest & Intermediaries	[HEALTH & NUTRITION] + [SUPPLY CHAIN MANAGEMENT]	in many instances, companies do not have the ability to trace ingredients back to their source. As we see increasing amounts of product recalls and food related illness, companies need to enhance their ability to track down the source of contaminants in the supply chain.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	No action needed	Add Issue	Public Interest & Intermediaries	Global pricing comparison on beverages similar to the Big Mac Index	Separating quantity from values (pricing) would provide a clearer and more transparent picture of the industry.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Inaccuracy	Market Participant	D.N.A. - Inaccuracy	You take KO's claim about its "PlantBottle" technology at face value. While this technology appears to replace fossil fuels with plant based ethanol to manufacture its containers, it has "zero effect on plastics pollution."
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Yes	Packaging waste, including that from consumers who discard their bottles without consideration for the environment can represent significant pollution hazards.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Yes	Packaging is an increasing issue for consumers as well as footprints.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Maybe	See above.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Maybe	While this information would be interesting, I don't believe the benefits of reporting total weight of packaging and the percentage from primary material and recycled materials outweigh the costs.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Maybe	While an important topic for investors, I do not see how these efforts can be measured and compared across companies in a meaningfully analytical way.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://media.wix.com/ugd/49d7a0_7a5cfa72d8e74c04be5aeb81f38b136b.pdf">http://media.wix.com/ugd/49d7a0_7a5cfa72d8e74c04be5aeb81f38b136b.pdf</a> ; <a href="http://media.wix.com/ugd/49d7a0_824b8dcfeaa74427a56b57abb8e2417e.pdf">http://media.wix.com/ugd/49d7a0_824b8dcfeaa74427a56b57abb8e2417e.pdf</a>
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	wasted resources (i.e. container materials) and liter represent an unnecessary wasting of natural resources, increasing, long-term cost exposure to producers and social backlash (i.e. legislation)and environmental impact with litter an lack of recycling effort success
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	<a href="http://www.clearwater.asn.au/user-data/resource-files/Aust_drinking_water_guidelines.pdf">http://www.clearwater.asn.au/user-data/resource-files/Aust_drinking_water_guidelines.pdf</a>
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	Packaging is usually procured from companies that also supply pharmaceutical and cosmetics companies. Innovation is usually one of the most secretive areas in the food sector.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	Of all of the issues, this appears to have the least amount of financial impact. Light-weighting had a direct impact, however, recycling and recovery has a less direct impact on the company's ability to be successful until the raw materials needed for packaging become more scarce or expensive.
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	This issue is becoming increasingly important in the eyes of many stakeholders, but considering current investor time horizons, it would not be material for most investors.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	This topic would need further clarification. Is it innovation related to packaging or innovation related to the entire product? Second to raw materials, packaging probably represents the second greatest expense for companies from a supply chain perspective. Legislation to require companies to take back packaging or to entirely change over their packaging materials could have significant impact.
Non-Alcoholic Beverages	Supply Chain Management	Add Issue	Corporations	Social Compliance or Ethical Sourcing	Organizations should be measured on how well they treat their employees and their partners in the supply chain.
Non-Alcoholic Beverages	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Land use/sustainable agriculture	tied to agriculture, sustainable agricultural practices have direct impact on soils quality, run-off and impact to eco-system
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Yes	Raw materials risks - for example drought, climate change and disease. See here: <a href="http://www.keuriggreenmountain.com/Sustainability/ResilientSupplyChain/Farmers/AgriculturalEcosystems.aspx">http://www.keuriggreenmountain.com/Sustainability/ResilientSupplyChain/Farmers/AgriculturalEcosystems.aspx</a>
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Maybe	It gets too close to revealing commercially sensitive and confidential information. If you are talking purely about freight miles then this is fine.
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Corporations	Maybe	See above.
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Better integration with packaging industry and food processing is needed.
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.saiplatform.org/activities/working-groups/fruit">http://www.saiplatform.org/activities/working-groups/fruit</a> ; <a href="http://www.saiplatform.org/activities/working-groups/coffee">http://www.saiplatform.org/activities/working-groups/coffee</a>
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	water scarcity and climate change impacts to agricultural ingredients represents a real and present supply continuity risk to business



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.epa.gov/climatechange/impacts-adaptation/agriculture.html">http://www.epa.gov/climatechange/impacts-adaptation/agriculture.html</a> There are many many articles and studies indicating that climate change will have a significant effect on the agriculture industry. The one listed is the EPA so it is generally considered credible, but there are literally hundreds of articles and papers related to this issue.
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	No	This is dependent on what commodities are sourced - so may be relevant for many companies, but omitting the information would not necessarily alter the mix of information for ALL companies.
Non-Alcoholic Beverages	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	Because of the competitiveness in the sector food procurement may be one of the sensitive areas for some companies.
Non-Alcoholic Beverages	Water Management	Material Issue?	Corporations	Yes	Particularly in emerging markets and water stressed areas, non-alcoholic beverages can represent a significant consumer of water from a particular area that may have significant immediate and long term impact on water levels in the aquifers.
Non-Alcoholic Beverages	Water Management	Material Issue?	Corporations	Yes	Many areas where beverages are manufactured are in water stressed areas according to: <a href="http://www.wri.org/our-work/project/aqueduct">http://www.wri.org/our-work/project/aqueduct</a>
Non-Alcoholic Beverages	Water Management	Material Issue?	Corporations	Maybe	Not a large user of water at this point, but will become increasingly important to business strategy in the future.
Non-Alcoholic Beverages	Water Management	Material Issue?	Market Participant	Yes	Water scarcity has been and will likely continue to be a major risk to companies in this industry. Knowing companies' freshwater needs and number of incidents resulting from non-compliance would greatly help to qualitatively assess the potential impact to the firms.  While it's outside the beverage industry, mining companies have already been dealing with increased costs from water scarcity: <a href="http://www.bloomberg.com/news/2013-02-15/mining-companies-face-ratings-cuts-as-water-scarcity-lift-costs.html">http://www.bloomberg.com/news/2013-02-15/mining-companies-face-ratings-cuts-as-water-scarcity-lift-costs.html</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Water Management	Material Issue?	Market Participant	Yes	<p>The disclosure metrics on Water Management should be expanded to include, for example:</p> <ul style="list-style-type: none"> <li>*Total Water withdrawal by source.</li> <li>*Water sources significantly affected by withdrawal of water.</li> <li>*% of total volume of water recycled and reused.</li> <li>*Total water discharge by quality and destination.</li> <li>*Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharge of water and runoff.</li> </ul> <p><a href="http://www.pacinst.org/wp-content/uploads/sites/21/2013/02/corporate_water_accounting_analysis3.pdf">http://www.pacinst.org/wp-content/uploads/sites/21/2013/02/corporate_water_accounting_analysis3.pdf</a></p>
Non-Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Water management is the key to this industry. Look at Australian legislation. Ceres
Non-Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://media.wix.com/ugd/49d7a0_f49252ae57154a7baefbd0c314e311f1.pdf">http://media.wix.com/ugd/49d7a0_f49252ae57154a7baefbd0c314e311f1.pdf</a>
Non-Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Water management is critical for water bottling and beverage companies
Non-Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	beverages are 98+% water, water scarcity and water quality directly impact costs and supply continuity issues for producers



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Non-Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	This one is clear - it is a primary input to every product the industry sells and is in a state of decline and increasing costs.  <a href="http://www.circleofblue.org/waternews/2014/world/price-water-2014-6-percent-30-major-u-s-cities-33-percent-rise-since-2010/">http://www.circleofblue.org/waternews/2014/world/price-water-2014-6-percent-30-major-u-s-cities-33-percent-rise-since-2010/</a>  Also, the water/energy nexus increases the importance of this issue
Non-Alcoholic Beverages	Water Management	Material Issue?	Public Interest & Intermediaries	Maybe	While this is material for many in this industry, it is NOT material for ALL non-alcoholic beverage industry companies. Per the definition of materiality as provided on this survey, omitting this information would ONLY alter the total mix of information IF the non-alcoholic beverage company manufactures products in water scarce or stressed regions. Otherwise, omitting this information would not alter the total mix of information.
Processed Foods	Congratulations	Other Comment	Market Participant	D.N.A. - Other Comment	The process is robust and the requirement of justification/reference with the feedback a useful way to support materiality.
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Yes	Processed foods rely significantly on fuel to create and transport products to market. Rising costs will thus have an impact on companies. Furthermore, this is an area that already has regulatory parameters and this will most likely increase as more people pay attention to climate change.
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Corporations	Maybe	GHGs will be difficult to judge as materially good or bad due to the large number of variables. (example: in-house DSD transport is scope 1 but outsource DSD transport is scope 3)



<p>Processed Foods</p>	<p>Energy Management &amp; Greenhouse Gas Emissions</p>	<p>Material Issue?</p>	<p>Corporations</p>	<p>Maybe</p>	<p>Though Energy Management &amp; Greenhouse Gas Emissions represent significant environmental impacts from an environmental management standpoint, this evaluation and determination is different as we evaluate materiality from an investor perspective. A sustainability materiality assessment evaluates social and environmental issues against importance to stakeholders and impact to the business. However, this evaluation is relative to each other, not relative to other non-ESG business risks. When determining the total mix of information to be shared with investors, we must evaluate risks and opportunities associated with all marketplace, operational, and ESG issues to identify the most material information.</p> <p>With regards to Energy Management &amp; Greenhouse Gas Emissions as a disclosure topic, ConAgra Foods total energy costs equaled about 1.8 percent of ConAgra Foods total Cost of Goods Sold (COGS) and less than 1.4 percent of Net Sales in FY14. Furthermore, even as ConAgra Foods pursues a 20 percent per pound greenhouse gas emissions reduction goal by 2020 (derived through energy efficiency, as it represents over 95 percent of Scope 1 and 2 GHG emissions), the cost savings derived from this improvement will represent less than 0.4 percent of COGS and 0.3 percent of Net Sales over the next five years. We have evaluated our risk exposure against potential GHG regulations, and less than 10 percent of our facilities would be affected with a 25,000 metric ton threshold. Despite potential increases in electricity and natural gas rates, we do not anticipate Energy Management &amp; Greenhouse Gas Emissions issues to become a significant percent of our COGS or Net Sales in the foreseeable future. Furthermore, energy market forecast information is widely available to investors and not unique to any one company, making company-specific disclosures of marginal value. We acknowledge there are additional indirect costs associated with Energy Management &amp; Greenhouse Gas Emissions embedded within a food company's supply chain; however, the risks and opportunities associated with such are difficult to quantify given the significant uncertainty regarding severity, likelihood, and location/duration.</p> <p>With regards to Energy Management &amp; Greenhouse Gas Emissions as a disclosure topic, ConAgra Foods total energy costs equaled about 1.8 percent of ConAgra Foods total Cost of Goods Sold (COGS) and less than 1.4 percent of Net Sales in FY14. Furthermore, even as ConAgra Foods pursues a 20 percent per pound greenhouse gas emissions reduction goal by 2020 (derived through energy efficiency, as it represents over 95 percent of Scope 1 and 2 GHG emissions), the cost savings derived from this improvement will represent less than 0.4 percent of COGS and 0.3 percent of Net Sales over the next five years. We have evaluated our risk</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					exposure against potential GHG regulations, and less than 10 percent of our facilities would be affected with a 25,000 metric ton threshold. Despite potential increases in electricity and natural gas rates, we do not anticipate Energy Management & Greenhouse Gas Emissions issues to become a significant percent of our COGS or Net Sales in the foreseeable future. Furthermore, energy market forecast information is widely available to investors and not unique to any one company, making company-specific disclosures of marginal value. We acknowledge there are additional indirect costs associated with Energy Management & Greenhouse Gas Emissions embedded within a food company's supply chain; however, the risks and opportunities associated with such are difficult to quantify given the significant uncertainty regarding severity, likelihood, and location/duration.
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	Like water usage, energy use is something that companies can control, and presenting information on company's current usage relative to total production in absolute terms and progress over time will be of great use to investors seeking environmentally-responsible companies to channel money towards.
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	Yes	Energy costs represent a significant proportion of COGS for many food companies - more effective management of energy use/procurement could drive savings/earnings growth
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Market Participant	Maybe	With the exception of those food processors that own their fleet in general the food industry is not comparable in intensity to energy production, extractives activities: <a href="http://www.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_by_sector_00-12_sum_2014-03-24.pdf">http://www.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_by_sector_00-12_sum_2014-03-24.pdf</a>  <a href="http://www.epa.gov/climatechange/ghgemissions/sources/transportation.html">http://www.epa.gov/climatechange/ghgemissions/sources/transportation.html</a> (Medium/heavy duty trucks constitute 22% of 27% total GHGs; <a href="http://www.epa.gov/otaq/climate/documents/420f13033a.pdf">http://www.epa.gov/otaq/climate/documents/420f13033a.pdf</a> )



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	Energy use is material and growing at a faster pace than other industries. <a href="http://grist.org/article/food-our-energy-gulping-industrial-food-system-in-eight-bullet-points/">http://grist.org/article/food-our-energy-gulping-industrial-food-system-in-eight-bullet-points/</a> <a href="http://www.cias.wisc.edu/wp-content/uploads/2008/07/energyuse.pdf">http://www.cias.wisc.edu/wp-content/uploads/2008/07/energyuse.pdf</a> <a href="http://www.ers.usda.gov/media/136418/err94_1_.pdf">http://www.ers.usda.gov/media/136418/err94_1_.pdf</a>
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Yes	Energy costs are on the rise and GHGs are a contributor to climate change which have impacts for growing seasons and raw ingredient quality/price
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	Question requires greater clarity. Is this purely a reporting of consumption (energy) and emissions?
Processed Foods	Energy Management & Greenhouse Gas Emissions	Material Issue?	Public Interest & Intermediaries	Maybe	It depends on energy spend relative to other costs - in many FMCG companies energy spend will be a relatively small operating cost versus other categories.
Processed Foods	Food Safety	Material Issue?	Corporations	Yes	Food safety - or lack thereof - has a direct correlation to consumer trust, and therefore continued purchasing of a product. If a company fails in food safety, there will be a material impact to investors.
Processed Foods	Food Safety	Material Issue?	Corporations	Yes	Food Safety issues can cause a large liability, cost and damage to reputation.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Food Safety	Material Issue?	Market Participant	Yes	On exporting internationally: <a href="http://www.reuters.com/article/2014/05/24/us-usa-eu-trade-merkel-idUSBREA4N07X20140524">http://www.reuters.com/article/2014/05/24/us-usa-eu-trade-merkel-idUSBREA4N07X20140524</a>
Processed Foods	Food Safety	Material Issue?	Market Participant	Yes	Food safety is a 'tail risk' for many established food companies, in that in the general day-to-day running of operations, few major issues emerge. However, any quantitative metrics that point to a company's track record in this area relative to other companies would be critical for an investor to gauge the risk of whether a serious breach could emerge at some future date and threaten the health or lives of people. Fortunately in the US, we have had relatively few outbreaks of this nature, but the experience of the e-coli outbreak in Germany in May/June of 2011 which resulted in 3950 incidence of illness and 53 deaths is a clear example of how critical this risk is to monitor.
Processed Foods	Food Safety	Material Issue?	Market Participant	Yes	Food safety absolutely critical to consumer trust. Many examples where food safety issues have led to significant volume declines for impacted brands. Even when scare turned out to be false positive - e.g. Danone's babyfood in China there has been significant damage <a href="http://online.wsj.com/news/articles/SB10001424052702304275304579394220258933930">http://online.wsj.com/news/articles/SB10001424052702304275304579394220258933930</a>
Processed Foods	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Specific to these questions is the level of detail required and the extent to which is must be created specifically for the purpose of materially contributing to information available to investors vs. being information already reportable that a reasonable investor is likely to seek out (EPA filings, for example) vs. importing that information from those reports.
Processed Foods	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	The Food Safety section currently has good examples demonstrating the materiality of food safety to the industry. This article is a reminder of how food safety is inextricably linked to supply chain management: <a href="http://www.nytimes.com/2009/05/15/business/15ingredients.html?pagewanted=2">http://www.nytimes.com/2009/05/15/business/15ingredients.html?pagewanted=2</a> . Could a supplier safety audit indicator be added to the Supply Chain Management section?
Processed Foods	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	Average cost of recall is \$30 million + reputation damage - a material impact: <a href="http://www.pwc.com/us/en/operations-management/publications/implement-food-chain-visibility.jhtml">http://www.pwc.com/us/en/operations-management/publications/implement-food-chain-visibility.jhtml</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.centerforfoodsafety.org/fact-sheets">http://www.centerforfoodsafety.org/fact-sheets</a> <a href="http://www.centerforfoodsafety.org/reports">http://www.centerforfoodsafety.org/reports</a> <a href="http://consumersunion.org/news/new-consumer-reports-poll-shows-consumer-demand-for-strong-federal-standards-for-genetically-engineered-food/">http://consumersunion.org/news/new-consumer-reports-poll-shows-consumer-demand-for-strong-federal-standards-for-genetically-engineered-food/</a>
Processed Foods	Food Safety	Material Issue?	Public Interest & Intermediaries	Yes	<p>This is front and center for the public in many countries right now and the research did a good job of communicating this. An example from the Chinese preference for U.S. infant nutritionals because of historic milk quality problems (2008) might be good to include.</p> <a href="http://www.nytimes.com/2013/01/09/world/asia/infant-formula-shortage-in-australia-tied-to-chinese-hoarding.html?_r=0">http://www.nytimes.com/2013/01/09/world/asia/infant-formula-shortage-in-australia-tied-to-chinese-hoarding.html?_r=0</a> <a href="http://www.businessweek.com/articles/2013-05-02/chinas-parents-crave-illegally-imported-baby-formula">http://www.businessweek.com/articles/2013-05-02/chinas-parents-crave-illegally-imported-baby-formula</a>
Processed Foods	Health & Nutrition	Material Issue?	Corporations	Yes	With obesity rates still alarmingly high, and fingers oftentimes pointing to processed food as the culprit, it seems that the health/nutritional profile of products will be under increasing scrutiny. Whether it reaches tobacco levels of scrutiny remains to be seen, but there is little doubt this is material information.
Processed Foods	Health & Nutrition	Material Issue?	Corporations	Maybe	Health and Nutrition issues in the food industry are currently highly subjective to public opinion and therefore would be ineffective to measure in an effective manner.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Health & Nutrition	Material Issue?	Market Participant	Yes	<p>WHO: World Health Report: <a href="http://www.who.int/whr/2002/chapter4/en/index10.html">http://www.who.int/whr/2002/chapter4/en/index10.html</a></p> <p>For industrialized countries, alcohol, blood pressure, overweight, cholesterol and tobacco are the leading five risks for each subregion in the industrialized group, varying only in their rank order. Cholesterol and body mass count for 6--7% of Disability-adjusted life year (DALY).</p> <p>Alongside the change in diet, changes in food production and the technology of work and leisure lead to decreases in physical exercise. The consequent epidemic of diet-related noncommunicable diseases (obesity, diabetes, hypertension and cardiovascular disease) coexists with residual undernutrition, and is projected to increase rapidly.</p> <p>Countries which have completed the transition to overnutrition are experiencing a continual increase in levels of obesity, as high fat, high sugar and low exercise lifestyles permeate society. However, this transition may not be inevitable, and a key challenge for policy-makers is to generate a "healthier transition".</p>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Health & Nutrition	Material Issue?	Market Participant	Yes	To me, this is the main area where I think further disclosure could encourage companies to do the right thing, and come up with groundbreaking new directions and help to prioritize where they channel both marketing and innovation resources - what they choose to sell to whom and how. The cost of obesity and diabetes in the US (and most likely in other countries) is crippling - not just in terms of the financial consequences, but also in terms of quality of life for young and old alike - and while industry efforts at self-regulation have made some progress, I feel that any efforts to make progress in this area more transparent for investors is critical to continue to make progress in this area. And while the companies can rightly claim that it is both calories out and calories in that count, so they are not the sole instigators of such problems, any mechanisms that encourage them to embrace cleaner-label products with lower sodium and sugar and higher nutritional content should be critical for investors. I only wonder how easy it will be to monitor and at what level of detail - should specific ingredients such as salt, added sugars, BPA, carrageenan, MSG, artificial colors and flavors (and a precise definition of natural flavors and a tighter leash on which ingredients are GRAS would be extraordinarily helpful!) and others be disclosed separately, or should broader metrics be used? The problem now is that consumers are worried about so many things - maybe the details are best left to consumer trends to judge, but the basics should clearly be covered here.
Processed Foods	Health & Nutrition	Material Issue?	Market Participant	Yes	Increasing consumer nutrition awareness driving sales trends in packaged food - e.g. Protein v carbohydrate demand. Glanbia vs. Kellogg organic growth - <a href="https://publication.sgresearch.com//en/3/0/181871/146473.html?sid=fff0abdb01f1421aee1b57c0475d656d">https://publication.sgresearch.com//en/3/0/181871/146473.html?sid=fff0abdb01f1421aee1b57c0475d656d</a>
Processed Foods	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	Obesity concerns loom large, and companies need to respond in some way (or explain why they aren't responding).
Processed Foods	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	Consumer preferences are clearly trending this direction - growth in "functional foods" has been huge. Companies not innovating on this topic will be losing big growth opportunities and likely lose market share as the market shifts this direction.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.consumersinternational.org/our-work/food/key-projects/junk-food-generation/">http://www.consumersinternational.org/our-work/food/key-projects/junk-food-generation/</a> See global efforts to hold food companies to account for their role in the prevention of non-communicable diseases: <a href="http://www.cmaj.ca/content/183/15/E1101">http://www.cmaj.ca/content/183/15/E1101</a> <a href="http://apps.who.int/iris/bitstream/10665/94384/1/9789241506236_eng.pdf">http://apps.who.int/iris/bitstream/10665/94384/1/9789241506236_eng.pdf</a> <a href="http://www.fao.org/fileadmin/user_upload/Europe/documents/Events_2013/ICN2TA/4p.pdf">http://www.fao.org/fileadmin/user_upload/Europe/documents/Events_2013/ICN2TA/4p.pdf</a>
Processed Foods	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Yes	Impact of poor nutrition and obesity is a cost and productivity issue for society (heart disease, diabetes, lost work days, etc). There is an associated cost that can be communicated. There is no discussion of cost to society in research and subsequent impact on food industry brand equity.  <a href="http://www.nestle.com/asset-library/documents/investors/nis-2013-vevey/heiko-schipper-the-first-1000-days-nestle-leadership-in-infant-nutrition.pdf">http://www.nestle.com/asset-library/documents/investors/nis-2013-vevey/heiko-schipper-the-first-1000-days-nestle-leadership-in-infant-nutrition.pdf</a>
Processed Foods	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Maybe	Is this reporting on an absolute basis the constituents of the food or a more relative/ normative assessment (% RDA of a vitamin or sugar, for example)?
Processed Foods	Health & Nutrition	Material Issue?	Public Interest & Intermediaries	Maybe	potential conflicts with FDA, USDSA
Processed Foods	Ind. Brief comment	Add Issue	Market Participant	Tax breaks	The proposed topics cover many of the externalities associated with the packaged food system. As a balancing factor I believe that investors would be interested in understanding the level of tax breaks secured by companies at the state, federal and international level.
Processed Foods	Ind. Brief comment	Inaccuracy	Corporations	D.N.A. - Inaccuracy	ConAgra Foods packaging goals referenced on page 15 were retired in 2013. Some of the summaries were one-sided in information presented (GMOs) or not presented in context (i.e. when evaluating stated cost savings in relation to COGs or Net Sales, some seem insignificant)



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Ind. Brief comment	Inaccuracy	Public Interest & Intermediaries	D.N.A. - Inaccuracy	Not so much inaccuracies as a need for greater specificity/ detail in how statements are presented.
Processed Foods	Ind. Brief comment	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	<p>I thought the IWG process has been a great one so far, and had just a few comments when reading the research brief:</p> <ul style="list-style-type: none"> <li>- I was surprised that the HM score for Health and Nutrition was not higher and closer to energy/water management</li> <li>- In Appendix IIA Energy management: assets/liabilities not selected as evidence of financial impact. However, reducing your energy use will in many cases reduce operating costs and liabilities? Additionally, development of more energy efficient solutions in many cases leads to acquisition of newer, higher value assets, or increasing the valuation of current assets (e.g. energy efficient building practices increasing property valuation)</li> <li>- Water Management: EFI seems too low, should be at least a medium? as droughts increase, water availability decreases, water will become more expensive. those who are more water efficient will thus be better positioned financially, those who use more water will be at a loss financially. Also, Appendix IIB doesn't address any revenue impacts for water management, whereas in recent cases companies have had to shut down/significantly reduce production due to a lack of water..over time a lack of production will affect a company's market share. Lastly, does not address costs of R&amp;D associated with water management. In many cases new processes and products are needed to be developed to improve water management. If a company is looking to be a leader in water stewardship (e.g. Nestle) they will invest significant R&amp;D funds in water related research and innovation.</li> <li>- Lastly, in the social capital section, I would add community impacts as many large food processors have significant impacts on local communities: jobs, economic contributions, displacement of communities, air pollution/noise</li> </ul>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Labeling & Marketing Integrity	Add Issue	Public Interest & Intermediaries	Genetically Modified Food Issues	Most processed foods contain GMOs
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Corporations	Yes	Increasingly, consumers want to know what is in and what isn't in foods they purchase. This means that companies need to provide more and more details so that consumers have an informed choice on what they put in their bodies. In failing to do so, companies risk their reputations, which could have a material impact to investors.
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Corporations	Yes	The consumer must be able to rely on the accuracy of the product labeling. Discrepancies in labeling or marketing can cause great damage to any food manufacturer.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Corporations	No	<p>Though Labeling &amp; Marketing Integrity represent significant environmental impacts from an corporate responsibility standpoint, this evaluation and determination is different as we evaluate materiality from an investor perspective. A sustainability materiality assessment evaluates social and environmental issues against importance to stakeholders and impact to the business. However, this evaluation is relative to each other, not relative to other non-ESG business risks. When determining the total mix of information to be shared with investors, we must evaluate risks and opportunities associated with all marketplace, operational, and ESG issues to identify the most material information.</p> <p>With regards to Labeling &amp; Marketing Integrity as a disclosure topic, the cited evidence in the Industry Brief do not represent material financial as a percent of Cost of Goods Sold (COGS) or Net Sales. For example, the settlement referenced for Kellogg’s related to “natural” claims for its Kashi brand represented about 0.03 percent of Net Sales. As these lawsuits arise and precedents are set, food companies adjust internal policies and practices to mitigate risk. Related to GMO labeling, the described risks associated with “growing trends and concerns about the use and labeling of GMO ingredients” should be weighed against the increased cost associated with labeling on a state-by-state basis or sourcing and certifying non-GMO ingredients to fully understand the incremental costs and materiality of the issue. Furthermore, food companies – including ConAgra Foods – have shown greater transparency on this issue; therefore, this assumption should be further evaluated. Per ConAgra Foods 2013 Citizenship Report: “We believe consumers should be knowledgeable about what’s in their food, and our Consumer Affairs team is happy to provide information on biotechnology use in our food. ConAgra Foods is continuing to work in collaboration with our industry peers on a longer-term approach to provide further transparency for consumers regarding the use of GM ingredients in food. ConAgra Foods would be supportive of federal guidelines for a uniform approach in this area. ConAgra Foods does not support mandatory labeling on a state by state basis, as this presents significant complication and costs – costs the consumer may share. ConAgra Foods is committed to meeting our consumers’ expectations and contributing to a safe, nutritious, sustainable and affordable food supply for now and the foreseeable future.” Lastly, the self-regulation and transparency around the Children’s Food and Beverage Advertising Initiative (CFBAI) is such that any disclosure will not provide investors additional benefit.</p>





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Market Participant	Yes	Very much linked to my thoughts on health and nutrition above, since it is people's health and wellbeing that we are dealing with. It seems that the industry's self-regulation has had some impact on TV advertising to children, but the advent of digital advertising has been left largely unmonitored or regulated.
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Market Participant	Yes	Misleading labeling can lead to damaging lawsuits/consumer distrust
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Market Participant	Maybe	Marketing and differentiation can support brand resilience. For example, Dannon set up a fund for \$35m to compensate consumers for false claims of health benefits of its probiotic-based dairy. But this expense is near immaterial when compared with the EUR37bn annual revenue of the Actimel and Activia brands.  <a href="http://www.just-drinks.com/analysis/focus-actimel-ad-ban-is-latest-woe-for-probiotics_id98901.aspx">http://www.just-drinks.com/analysis/focus-actimel-ad-ban-is-latest-woe-for-probiotics_id98901.aspx</a>  <a href="http://blogs.wsj.com/source/2010/04/15/danone-sees-sales-surge-despite-actimel-and-activia-setback/">http://blogs.wsj.com/source/2010/04/15/danone-sees-sales-surge-despite-actimel-and-activia-setback/</a>
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	Transparency on food ingredients is a big issue for the public.
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	Legal and brand risks are big around false advertising green wash, etc., which potentially large financial implications.
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	marketing needs chain of custody...
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	While you mention potential positive impact on commitments to not market certain snack foods to children; this is a negative economic impact there too that must be countered by increase in brand equity from "doing the right thing." Companies marketed to children because it increased sales. The SASB research doesn't say that.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Labeling & Marketing Integrity	Material Issue?	Public Interest & Intermediaries	Yes	Could be harmful to brand and diminish consumer trust
Processed Foods	New Angle	Add Issue	Corporations	[LABELING & MARKETING INTEGRITY]	Processing companies oftentimes use chemicals in their manufacturing processes, and this is going to be something that falls under consumer scrutiny soon.
Processed Foods	New angle	Add Issue	Public Interest & Intermediaries	[HEALTH & NUTRITION ]	Affirmative defense against intentional adulteration
Processed Foods	New angle	Add Issue	Public Interest & Intermediaries	Food access/security [HEALTH & NUTRITION ]	Unequal food access and hunger are critical issues. Climate change, water stress, population growth, income disparities, etc. all contribute to the problem. Companies should understand and communicate the ways in which their foods deliver nutrition broadly, including to communities most in need.
Processed Foods	New Issue	Add Issue	Corporations	[WASTE MANAGEMENT]	waste in food production in both supply chain and manufacturing can be significant and contribute to sustainability impacts at plant and on a supply level.
Processed Foods	New Issue	Add Issue	Corporations	[WASTE MANAGEMENT] + [FOOD WASTE]	While packaging is noted in the current list, a substantial amount of waste is also created during food manufacturing process (before, during, after). Food manufacturers should be able to track, report and hopefully set goals to reduce that waste.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	New Issue	Add Issue	Corporations	Materials & Waste Management (with reservations) [FOOD WASTE]	Waste – specifically food waste – represents a significant opportunity for the environment and society. Approximately 40 percent of food is wasted globally (see FWRA report). Though most of this occurs in residential settings, the food and ingredients wasted by food companies represent loss through (1) the expense of purchasing the raw material/ingredient and (2) the expense of managing the waste stream. Further analysis should be done to determine the economic value of the waste and opportunity to determine whether the issue is material from an investor perspective.
Processed Foods	New Issue	Add Issue	Corporations	[LABOR RELATIONS] + [WORKING CONDITIONS]	Labor Issues (Child/Forced Labor, Discrimination, Discipline, Harassment/Abuse, Freedom of Association, Labor Contracts) are material to many industries, particularly those with manufacturing aspects.
Processed Foods	New Issue	Add Issue	Corporations	[EMPLOYEE HEALTH & SAFETY]	Employee health and safety are material to all industries, not just food and beverage.
Processed Foods	New Issue	Add Issue	Market Participant	Lobbying spending [LOBBYING & POLITICAL CONTRIBUTIONS]	Given the level of spend by many companies on topics ranging from anti-GMO labeling to limiting restrictions on marketing and the Farm Bill, I think disclosure of such spend by topic would be extremely helpful. Of course, the advent of Citizens United may make such disclosures hard to enforce, but consideration may be warranted.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	New Issue	Add Issue	Market Participant	Food waste [FOOD WASTE]	<p>Food waste in the United States is estimated at roughly between 30 to 40 percent of the food supply. In 2010, an estimated 133 billion pounds of food from U.S. retail food stores, restaurants, and homes never made it into people's stomachs. The amount of uneaten food in homes and restaurants was valued at almost \$390 per U.S. consumer in 2008, more than an average month's worth of food expenditures.</p> <p>Food waste the single largest type of waste entering our landfills -- Americans throw away up to 40 percent of their food. Addressing this issue not only helps with combating hunger and saving money, but also with combating climate change: food in landfills decomposes to create potent greenhouse gases.</p> <p>Same EPR argument above on packaging could result on liabilities for the food industry on its contribution to domestic food waste.</p>
Processed Foods	New Issue	Add Issue	Market Participant	[EMPLOYEE DIVERSITY & INCLUSION]	This may go beyond the realm of this initiative, but given that many companies today are requiring appropriate levels of diversity within their supplier base, I think some level of disclosure of gender and possibly ethnic diversity at the level of senior leadership may be appropriate as a metric for strength of leadership. However, this is a softer topic that may not be warranted here. Other options might be an industry standard for the level of employee engagement based on externally-audited surveys. Again, just a thought while we're thinking about overall societal impact and values that may be of interest to investors.
Processed Foods	New Issue	Add Issue	Public Interest & Intermediaries	[CLIMATE CHANGE ADAPTATION]	As with the meat, dairy and poultry industry, climate change affects access to raw materials for producing processed foods and the associated economics.
Processed Foods	No action needed	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	Thank you for the opportunity!
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	Yes	Packaging has opportunity to affect processing companies due to availability and costs, as well as changing consumer preferences.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	No	Packaging Lifecycle Management & Innovation should be evaluated holistically as part of the total food system, including ensuring food safety and quality and preventing food waste during distribution and transport. For that reason, ConAgra Foods retired the goals referenced in the SASB Processed Foods Industry Brief to adopt a more holistic strategy around packaging (i.e. goals referenced are not accurate). See a recent AMERIPEN report for more information: <a href="http://www.ameripen.org/Reducing_Fresh_Food_Waste_Final.pdf">http://www.ameripen.org/Reducing_Fresh_Food_Waste_Final.pdf</a>
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Corporations	No	Packaging's function in food safety will always take priority over other driving forces in packaging innovation.
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	Increasing pressure to apply Extended Producer Responsibility (EPR) on packaging <a href="http://www.hks.harvard.edu/var/ezp_site/storage/fckeditor/file/pdfs/centers-programs/centers/mrcbg/publications/awp/Nash_Bosso_2013-10.pdf">http://www.hks.harvard.edu/var/ezp_site/storage/fckeditor/file/pdfs/centers-programs/centers/mrcbg/publications/awp/Nash_Bosso_2013-10.pdf</a>
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	I have observed a wide disparity across the US processed food companies in their efforts to improve the sustainability of packaging. For example, Heinz was very much at the cutting edge of packaging innovation, using 'doy-packs' of ketchup in emerging markets to reduce cost and then transferring this packaging to the US at the start of the recession to achieve a low price point product for dollar stores. Plus its plant-bottle initiative with Coca Cola was very cutting edge at the time. Given the externalities generated by waste in terms of landfill use, plus the potential cost-savings in this area, particularly from prominent labeling informing consumers of how to dispose of responsibly, I see this as an important area for further disclosure.
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Market Participant	Yes	Innovation the key tool at capturing increasingly rapidly evolving consumer demand/trends
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://wupperinst.org/en/projects/topics-online/mips/">http://wupperinst.org/en/projects/topics-online/mips/</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Yes	Keeping up with global regulation is a challenge here too as companies need to prepare for rapidly changing regulatory landscapes.
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	No	I don't see risks and opportunities associated with packaging rising above threshold of being a material issue.
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	Similar to above, I believe the question would benefit from greater detail/ specificity. What about Packaging Lifecycle Management disclosure would be considered material?
Processed Foods	Packaging Lifecycle Management & Innovation	Material Issue?	Public Interest & Intermediaries	Maybe	biodegradeable is a key
Processed Foods	Supply Chain Management	Add Issue	Corporations	Agricultural Resource Management	There is a great deal of embedded water, energy and carbon in the agricultural ingredients used by food processors. Efficient use of these ingredients can be measured and would reflect a minimizing of environmental impacts.
Processed Foods	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Treatment of farm workers	This may be a subset of an above category but training, education, and wages of farm workers is extremely important and something the industry has not acted upon with any urgency.
Processed Foods	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Organic, Land Use, Biodiversity	Processed food companies are large users of the land and the way they treat the land and farm/ranch has dramatic impacts for climate change. The preservation of the soil and its ability to sequester carbon is extremely important for the sector and impacts the quality and availability of raw material inputs.
Processed Foods	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Land Management	Sustainability of farming & forestry practices.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Cruelty-Free Farming	Absence of inhumane treatment through malice or neglect and pain-free slaughter
Processed Foods	Supply Chain Management	Innaccurac y	Public Interest & Intermediaries	D.N.A. - Innaccuracy	I was expecting more information about social/labor issues in the supply chain. The brief seemed primarily to focus on supplier risk related to climate and water. I was prepared to write all about how labor/social standards needed to be included, but then it appeared in the questionnaire, so I was happy. But you might want to emphasize that more in the brief's introduction/overview.
Processed Foods	Supply Chain Management	Material Issue?	Corporations	Yes	Knowing where key ingredients and packaging materials are coming from, and where they are produced, all have material impacts. If a company is highly dependent on certain ingredients and/or crops, and there is a drought in the area they source from, this could have a significant impact to their bottom line.
Processed Foods	Supply Chain Management	Material Issue?	Market Participant	Yes	<p>SUPPLY CHAIN MANAGEMENT: Various aspects above represent risk due to outsourcing activities to the parts of the value chain (e.g. agricultural risks due to water shortages).</p> <p>In the United States, agriculture accounts for some 49% of total freshwater use, with 80% of this volume being used for irrigation (Shiklomanov, 1999).  <a href="http://www.unep.org/dewa/vitalwater/article48.html">http://www.unep.org/dewa/vitalwater/article48.html</a></p> <p>There are myriad food scandals due to supply chain lack of oversight: Horsemeat scandal, tainted food in China (affecting American food companies).  <a href="http://usa.chinadaily.com.cn/business/2014-07/24/content_17918626.htm">http://usa.chinadaily.com.cn/business/2014-07/24/content_17918626.htm</a></p>
Processed Foods	Supply Chain Management	Material Issue?	Market Participant	Yes	The only observation that I would make here is that it is not really enough just to monitor the operations that are directly within these company's own value chains, but that there should be some means of monitoring the overall footprint including suppliers. The recent Oxfam study suggests that when the supplier base is included, these companies have much higher footprints than that which is directly within their own operations. And encouraging these companies to require sustainability from their own suppliers will be a critical lever here.
Processed Foods	Supply Chain Management	Material Issue?	Market Participant	Yes	COGS savings / food safety



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	Investors, consumers and other stakeholders increasing expect companies to manage supply chain impacts, where they are having their largest environmental and social impacts. Supply chain disruptions have also been shown to have material financial impacts. See: <a href="http://www.pwc.com/gx/en/governance-risk-compliance-consulting-services/resilience/publications/sustainable-supply-chain.jhtml">http://www.pwc.com/gx/en/governance-risk-compliance-consulting-services/resilience/publications/sustainable-supply-chain.jhtml</a>
Processed Foods	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	irrigation and field cleaning water must be addressed
Processed Foods	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	I was surprised that labor in the agricultural supply area was not emphasized - especially with growing concerns over the treatment of migrant and seasonal workers. This is a global issue as well as a U.S. concern.  <a href="http://www.dol.gov/compliance/laws/comp-msawpa.htm">http://www.dol.gov/compliance/laws/comp-msawpa.htm</a>  <a href="http://www.ncfh.org/docs/fs-Facts%20about%20Farmworkers.pdf">http://www.ncfh.org/docs/fs-Facts%20about%20Farmworkers.pdf</a>  <a href="http://www.amnestyusa.org/research/reports/exploited-labor-migrant-workers-in-italy-s-agricultural-sector">http://www.amnestyusa.org/research/reports/exploited-labor-migrant-workers-in-italy-s-agricultural-sector</a>
Processed Foods	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Maybe	Question requires greater specificity. What about SCM would be considered material? How far upstream/downstream?
Processed Foods	Supply Chain Management	Other Comment	Public Interest & Intermediaries	D.N.A. - Other Comment	There were 2 areas that were omitted that I think should be incorporated: % of organically sourced materials, and the entire topic of labor and worker rights did not seem to be addressed, nor was the subject of immigration. These seem to be material in my mind when thinking about the long term health and viability of the processed foods industry.
Processed Foods	Survey Comment	Other Comment	Corporations	D.N.A. - Other Comment	The general division of the briefs (non-alcoholic beverages; processed foods; livestock & dairy) do not align easily with NAICS or GDSN categories. i.e Plant-based beverages/foods are classified as dairy/dairy-alternatives per NAICS and GDSN, and fresh produce is not accounted for in any of these three categories--are they accounted for elsewhere- in which case we'd like to review that brief as well.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Processed Foods	Survey Comment	Other Comment	Corporations	D.N.A. - Other Comment	Once all the data from the different working group members are consolidated, it would be helpful to see what the resulting metrics come out to be, before they are finalized. One more opportunity for the working group members to weigh in would be very useful.
Processed Foods	Water Management	Material Issue?	Corporations	Yes	The raw materials that processed companies rely upon - both for ingredients and packaging - are dependent on crops that demand water, and significant amounts of it. Thus, tracing to origins demonstrates materiality and potential costs for companies. Furthermore, processors also use a lot of water (though not as much as ag).
Processed Foods	Water Management	Material Issue?	Corporations	Yes	Water is vital to food production and food safety. Continuing availability of clean water can materially impair operations in certain locations.



<p>Processed Foods</p>	<p>Water Management</p>	<p>Material Issue?</p>	<p>Corporations</p>	<p>Maybe</p>	<p>Though water management issues represent significant environmental impacts from an environmental management standpoint, this evaluation and determination is different as we evaluate materiality from an investor perspective. A sustainability materiality assessment evaluates social and environmental issues against importance to stakeholders and impact to the business. However, this evaluation is relative to each other, not relative to other non-ESG business risks. When determining the total mix of information to be shared with investors, we must evaluate risks and opportunities associated with all marketplace, operational, and ESG issues to identify the most material information.</p> <p>With regards to Water Management as a disclosure topic, the combined costs associated with direct water use and fees associated with wastewater discharge equaled about 0.25 percent of ConAgra Foods total Cost of Goods Sold (COGS) and less than 0.2 percent of Net Sales in FY14. Furthermore, even as ConAgra Foods pursues a 20 percent per pound water use reduction goal by 2020, the cost savings derived from this improvement will represent less than 0.07 percent of COGS and 0.05 percent of Net Sales over the next five years. Despite potential increases in regulatory activity (i.e. changes in wastewater discharge parameters and surcharges) and water use rates, we do not anticipate Water Management issues to become a significant percent of our COGS or Net Sales in the foreseeable future. We acknowledge there are additional indirect costs associated with Water Management embedded within a food company’s supply chain; however, the risks and opportunities associated with such are difficult to quantify given the significant uncertainty regarding severity, likelihood, and location/duration.</p> <p>With regards to Water Management as a disclosure topic, the combined costs associated with direct water use and fees associated with wastewater discharge amount to about 0.25 percent of ConAgra Foods total Cost of Goods Sold (COGS) and less than 0.2 percent of Net Sales in FY14. Furthermore, even as ConAgra Foods pursues a 20 percent per pound water use reduction goal by 2020, the cost savings derived from this improvement will represent less than 0.07 percent of COGS and 0.05 percent of Net Sales. Despite potential increases in regulatory activity (i.e. changes in wastewater discharge parameters and surcharges) and water use rates, we do not anticipate Water Management issues to become a significant percent of our COGS or Net Sales in the foreseeable future. We acknowledge there are additional indirect costs associated with Water Management embedded within a food company’s supply chain; however, the risks and opportunities associated with such are difficult to quantify given the significant uncertainty regarding severity, likelihood, and location/duration.</p>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Processed Foods	Water Management	Material Issue?	Market Participant	Yes	Water usage is something that companies can control, and presenting information on company's current usage relative to total production in absolute terms and progress over time will be of great use to investors seeking environmentally-responsible companies to channel money towards. Moreover, with drought issues intensifying in the US and abroad, understanding a company's relative exposure to agricultural inputs from more drought-stressed areas will give investors an objective view of which could be at risk if drought situations intensify over time.
Processed Foods	Water Management	Material Issue?	Market Participant	Yes	Modest COGS implications and PR benefits
Processed Foods	Water Management	Material Issue?	Market Participant	Maybe	The impact and dependency is relatively smaller than power and utilities. Dependency is linked to agricultural inflows, but that is part of the supply chain. Industrial uses account for about 20% of global freshwater withdrawals. Of this, 57-69% is used for hydropower and nuclear power generation, 30-40% for industrial processes, and 0.5-3% for thermal power generation (Shiklomanov, 1999). <a href="http://www.unep.org/dewa/vitalwater/article48.html">http://www.unep.org/dewa/vitalwater/article48.html</a>
Processed Foods	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	Ceres 2012 report on corporate water disclosure found that all 11 food companies analyzed disclosed physical water risks. The study can be accessed through this page: <a href="http://www.ceres.org/resources/reports/clearing-the-waters-a-review-of-corporate-water-risk-disclosure-in-sec-filings/view">http://www.ceres.org/resources/reports/clearing-the-waters-a-review-of-corporate-water-risk-disclosure-in-sec-filings/view</a> (food sector begins on p. 28)
Processed Foods	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	life cycle water use including irrigation
Processed Foods	Water Management	Material Issue?	Public Interest & Intermediaries	Yes	BOD/COD is a noted at a concern as it relates to regulation - with a U.S. example (Seneca) but it's a water quality issue anywhere; especially in poorly regulated or poorly enforced regions. Mostly from cleaning and irresponsible disposal of food material via water bodies or sewerage; it costs money to treat and if unmonitored or unaddressed can impact aquatic life.  <a href="http://www.unido.org/fileadmin/import/32129_25PollutionfromFoodProcessing.7.pdf">http://www.unido.org/fileadmin/import/32129_25PollutionfromFoodProcessing.7.pdf</a>
Processed Foods	Water Management	Material Issue?	Public Interest & Intermediaries	Maybe	Question requires clarity/ detail. Is this specific to intake and outflow or is reporting of constituents of outflow (TSS, BOD, COD, FOG, etc.) included?



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/ Response	Comment
Processed Foods	Water Management	Material Issue?	Public Interest & Intermediaries	Maybe	It depends on energy spend relative to other costs - in many FMCG companies energy spend will be a relatively small operating cost versus other categories. For beverage companies, who consumer larger quantities of water, it would seem to be definitely material.
Tobacco	Climate Change Adaptation	Comment on Brief	Corporations	D.N.A. - Comment on Brief	There seemed to be some duplication across Climate Change and supply change with respect to water usage. It would have been helpful had the survey included information relevant to whether or not any company had ever suffered a direct economic impact material to their business from the supply chain and climate change risks, especially those risks that relate most directly to reputation.
Tobacco	Climate Change Adaptation	Material Issue?	Corporations	No	Tobacco is grown across the globe, and while climate change issues such as water availability could, in the future, be an indirect factor in increasing the cost of supply, the ability to increase intensity of cultivation in areas unaffected by water shortages, together with the long term decline in demand for tobacco leaf, will likely more than mitigate this pricing pressure. Note that, per the terms of the SASB working group participation protocol, these views are my own and do not necessarily reflect the views of my employer, which has not endorsed my responses to this survey.
Tobacco	Climate Change Adaptation	Material Issue?	Market Participant	No	Here I am taking a view that is at odds with the industry itself that goes to great lengths to promote its environmental credentials when it comes to farming. (See <a href="http://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DO9DCL3P?opendocument&amp;SKN=1">http://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DO9DCL3P?opendocument&amp;SKN=1</a> ) but I believe that given the nature of tobacco leaf ..in that it can be grown in a wide variety of locations and is a rotational but highly profitable cash crop then then reality is that climate change is unlikely to cause major issues. Moreover leaf as a % of sales is c10% with other NTM another 10% and the industry does have pricing power so can offset cost increases.
Tobacco	Climate Change Adaptation	Material Issue?	Market Participant	Maybe	I do not believe that the tobacco industry is a major contributor to climate change and I think investors covering a range of different sectors will be more concerned about the impact of companies that have a greater impact e.g. mining, chemicals, oil and gas
Tobacco	Climate Change Adaptation	Material Issue?	Market Participant	Maybe	Tobacco as a crop takes up a tiny proportion of arable land and is grown in many places thus making the security of supply as the cimate changes a less pertinent concern in my view.
Tobacco	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	climate change respresents a significant factor in supply of raw ingredient



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Tobacco	Climate Change Adaptation	Material Issue?	Public Interest & Intermediaries	Yes	<p>Tobacco Production Damages The Environment</p> <p>Madeley also describes in detail other impacts on land from tobacco use:</p> <p>The land that has been destroyed or degraded to grow tobacco has affects on nearby farms. As forests, for example, are cleared to make way for tobacco plantations, then the soil protection it provides is lost and is more likely to be washed away in heavy rains. This can lead to soil degradation and failing yields.</p> <p>A lot of wood is also needed to cure tobacco leaves.</p> <p>Tobacco uses up more water, and has more pesticides applied to it, further affecting water supplies. These water supplies are further depleted by the tobacco industry recommending the planting of quick growing, but water-thirsty eucalyptus trees.</p> <p>Child labor is often needed in tobacco farms.</p> <p>For more detail, refer to Big Business Poor Peoples; The Impact of Transnational Corporations on the World's Poor, by John Madeley, (Zed Books, 1999) ch. 4.</p>
Tobacco	Ind. Brief comment	Innaccurac y	Corporations	D.N.A. - Innaccuracy	<p>It is facially innaccurrate to omit smokeless tobacco from the definition of tobacco harm reduction products. Also, you used statements to the effect that something wasn't material in SEC filings to support the proposition that it was actually material.</p>



Tobacco	Ind. Brief comment	Innaccuracy	Market Participant	D.N.A. - Innaccuracy	<p>- Page 1 - the high barriers to entry are not because of the capital costs they relate to inability of new brands to be marketed and distribution via convenience stores making availability of shelf space very difficult</p> <p>- Page 1 - US market share of Altria normally quoted as 51% - which is cigarette share - not 58% and Reynolds is 26%, not 19% and Lorillard is 15% not 16%</p> <p>- Page 2 - implication is that US a leader in tobacco regulation and many EM far behind. This is far from reality as up to 1998 US a very lax regime and also the FTC adoption by many countries has meant that EM regulation has developed very rapidly over last decade making the idea that EM consumers are less aware of health impact of smoking something of an anachronistic statement.</p> <p>- Page 2 - I cannot verify cigarette consumption growing 4% annually between 1960 and 2000 but I find it a surprising figure since I know the figure is 6% volume increase between 1997 and 2010 even in China</p> <p>page 2 - companies are pursuing EM growth ...well most of the US companies are not as don't own brands outside US (with exception of PMI)</p> <p>- Page 3 - E-cigs were a technical development from China not a response to the FDA tightening regulations and the EU product directive was a time event ie update directive every so often and did not come about due to rise of e-cigs - indeed they simply didn't know how to handle e-cigs and so cobbled together something on the issue that effectively gave the nation states the right to do whatever they want.</p> <p>- Page 4 the public health angle is more about changing perceptions. it has long been established that smoking is dangerous yet until the mid-1990's no US court would give damages to smokers as the assumption was the smoker was responsible for their own actions. By introducing the idea of addiction then you shift the burden to the producer giving the debate to what is responsible marketing. The medical associations have taken this further by denigrating smokers as addicts and therefore in effect not worth listening too in any debate about their rights against non-smokers rights. This shift in perception had brought about an increasingly hostile environment to smokers.</p>
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				<ul style="list-style-type: none"><li>- Page 4-5 - Tobacco companies have long invested in 'safer' products or reduced risk products but the issue has been after the disaster of lights being perceived as 'safer' at one point was that the medical establishment believe that any development of 'reduced risk' products would simply cause of rise in smoking rates and therefore dont want 'reduced risk products' marketed as such. Hence the opposition to e-cigs despite no evidence of much harm from these products. Therefore 'improvements ro existing produts' is a nonesense ...cigarettes are dangerous full stop and even if they did reduce the harm (see Advance product by B&amp;W or Eclipse by reynolds or Accord by PM) were generally disparaged by the medical community and never found favour with consumers. Hence mis-leaing to imply it is new and probably that it will change the essence of the industry's outlook since in my view they will never be allowed to call any combustical products reduced risk.</li> <li>- Page 5 - in my view afforability not health awareness is key determinant of volumes (not revenues) of the industry. The industry is a volume taker but price setter. Their revnues are stated ex-duty and therefore I am refering to ex-duty reveenues</li> <li>- Page 6 - increasing marketing to grow is unlikely given restrictuions</li> <li>- Page 6 - tobacco converts almost 100% of profuts to cash and is one of the largest distributors of cash to investors. Given that the idea they have problems or will have problems in obtaining funds is very far wide of the mark and anyway they generate so much cahs they dont need external funds.</li> <li>- Page 6 the MSA is correct for USA but unique in the world since elsewhere the industry either co-operated with regulators or was state owned</li> <li>page 6 - the problem that the US industry has is that the FDA must approve all new variants making 'innovation' a long winded process and the FDA has yet to come to a conclusion as to what 'risk' is when the product is clearly dangerous...hnce saying one form of cigarette is more dangerous than another is a rather bizarre and diffclt to define area leaving he scientific FDA with a real problem and therefore innovatio in the USA very lslow in terms of approval. It is not the marketing restrictions per se that Lorillard have a problem with.</li></ul>
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Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
					<p>page 7-8 as stated before Leaf is only c10% of net sales (ex-duty) and industry volumes are flat to down so it would have to be a real crop crisis before it caused a major problem for the industry. In terms of the evidence the crop impact in Kentucky shd therefore have had an impact on US industry margins - but didnt</p> <p>pages 8-10 in my view the key supply chain issues are to prvent illicit trade though careful control of their own stock and trying to pressureise suppliers into not supplying known producers of illicit trade</p>
Tobacco	Industry insights	Innacurac y	Market Participant	D.N.A. - Innacuracy	Perhaps a matter of opinion but I don't agree that increasing awareness of the harmful effects of Tobacco are pressuring the industry's growth. Awareness is high and the growth is remarkably consistent both in the US and globally.
Tobacco	New Issue	Add Issue	Market Participant	Illicit trade [COUNTERFEIT PRODUCTS]	Illicit trade is a directly competitive product with duty-paid tobacco products and the industry has a high propensity to illicit trade because duty makes up the majority of the retail price and therefore non duty-paid can easily undercut the legitimate market on price. It can be clearly demonstrated that where tobacco products or certain tobacco products are priced at levels which limit affordability that illicit trade is likely to grow. This in turn can impact the elasticity of demand for consumer which in turn directly impact the business model of tobacco (ie volumes down but prices up) Again in terms of the scale of the issue I refer you to KPMG studies (Sun and Star) but also any study of the Canadian market place between 2007-11
Tobacco	Public Health	Material Issue?	Corporations	Maybe	The technical note inexplicably omits smokeless tobacco from the definition of tobacco harm reduction products. The category name of "reduced risk" products has regulatory overtones that might best be avoided, as the fact that a product presents substantially less risk than cigarettes does not mean that it may be marketed as such. Indeed, a strong case can be made that this category is not material yet, but potentially material in the future, dependant upon a future event: Regulatory action permitting the marketing of these products as being reduced risk. Note that, per the terms of the SASB working group participation protocol, these views are my own and do not necessarily reflect the views of my employer, which has not endorsed my responses to this survey.





Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Tobacco	Public Health	Material Issue?	Market Participant	Yes	The public health debate will shape the regulatory debate and therefore have a material impact on the duty system and regulations which will in turn have been two of the primary drivers to changes in volume demand of market. I have not provided links but almost any increase in tobacco tax worldwide is prefaced with 'this is for the good of the health of the nation'. Restrictions on public smoking likewise. In essence the US has a slightly unusual format since the FDA has been given formal control over tobacco. This may be viewed positively in that the FDA has a background is trying to establish scientific evidence to back actions. This is surprisingly rare in tobacco debates and many regulations are often quoted as having 'scientific backing' when in fact very little is forthcoming...see 2014 (see UK Chantler report on standardised packaging of tobacco, <a href="http://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DO9MSFD3?opendocument&amp;SKN=1">http://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DO9MSFD3?opendocument&amp;SKN=1</a> ). Hence the way in which the FDA reacts to menthol cigarettes will be instructive in their use of science vs social pressure. The issue here is that all medical associations favour 'quit or die' against 'harm reduction' and they hold great public and political sway. By comparison the industry has a very poor reputation. Therefore currently many regulations are passed with scant evidence they will actually benefit the public health and can create meaningful problems for the industry.
Tobacco	Public Health	Material Issue?	Market Participant	Yes	Tobacco is clearly harmful and so the industry must be seen to be responsible and be aware of the impact of its products. In particular the new reduced risk products being launched could offer material benefits to public health
Tobacco	Public Health	Material Issue?	Public Interest & Intermediaries	Yes	managing product impact; responding to legal action
Tobacco	Public Health	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.who.int/tobacco/industry/background/en/">http://www.who.int/tobacco/industry/background/en/</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Tobacco	Responsible Marketing	Material Issue?	Corporations	No	This seems to be more of an issue of legal compliance than anything else, and materiality will depend upon the nature and size of any particular enforcement action. Existing rules requiring disclosure of material contingent liabilities already provide investors with actionable information on legal and regulatory enforcement risk. Also, depending upon the size of the company, the absence of fines / litigation arising out of marketing is not necessarily an indicator of responsible marketing, as enforcement agencies typically focus on larger manufacturers. Note that, per the terms of the SASB working group participation protocol, these views are my own and do not necessarily reflect the views of my employer, which has not endorsed my responses to this survey.
Tobacco	Responsible Marketing	Material Issue?	Market Participant	Yes	The Tobacco industry must carefully manage its relationships with governments and regulators and responsible marketing is key to preserving a good working relation in this regard.
Tobacco	Responsible Marketing	Material Issue?	Market Participant	Maybe	Responsible marketing is a difficult topic because (1) Definition of responsible is very hard. All the major companies will follow the guidelines but direct marketing by good-looking salespeople in bars to adults is irresponsible. Some may say yes but others that adults can make their own choice. The health lobby argues any marketing of a product that is dangerous is irresponsible; (2) Many of the 'irresponsible' marketing comes from people other than the major players e.g. retailers often sell to underage users but do the authorities really make an effort to stop this, illicit cigarettes are a major problem - far less so in the USA but see Project Sun by KPMG on EU market or KPMG report Project Star in 2012 on illicit in Asia (PMI website) but certainly worldwide - and by definition they do not play by the rules. See the Canadian tobacco industry campaign against illicit trade in 2009-10 highlighting the role of illicit trade in youth smoking.  Note too that marketing restrictions are not always bad for the industry - after all it means that the existing players are effectively shielded from new entrants so massive restrictions may make the market more profitable though smaller in volume terms.
Tobacco	Responsible Marketing	Material Issue?	Public Interest & Intermediaries	Yes	impact of public perception on customer base; social license to operate.



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Tobacco	Responsible Marketing	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.tobaccofreekids.org/research/factsheets/pdf/0156.pdf">http://www.tobaccofreekids.org/research/factsheets/pdf/0156.pdf</a>
Tobacco	Supply Chain Management	Add Issue	Public Interest & Intermediaries	Environment	The tobacco is using a natural resource the Tobacco leaf, and therefor has a huge impact on the environment of those countries growing tobacco leaves.
Tobacco	Supply Chain Management	Material Issue?	Corporations	No	Supply chain management may be material to a “socially responsible” investor, but it is not clear that the risks being managed are material to an investor who does not use such a filter in making investment decisions. All of the legal, regulatory, and direct financial risks associated with things like child labor, worker health, and agronomic practices fall directly on the growers, not the manufacturer contracted to purchase from the grower. A manufacturer who purchases from a leaf dealer who purchases from a grower has an even more tenuous connection to the itemized risks. Therefore, at most, this is a reputational risk, and companies that want to have a reputation for responsibility ought to be managing against this risk, but it does not follow that it is material for purposes of this exercise. It also appears that the brief is duplicative here with respect to points otherwise covered in the climate change adaption section. Note that, per the terms of the SASB working group participation protocol, these views are my own and do not necessarily reflect the views of my employer, which has not endorsed my responses to this survey.
Tobacco	Supply Chain Management	Material Issue?	Market Participant	Yes	Supply chain is critical because (1) direct marketing to consumer is more and more difficult and therefore relations with retailers are more critical; (2) to avoid problems of their cigarettes ending up as part of the illciit trade; (3) to satisfy the FDA that the product qualifies as 'up to standard'
Tobacco	Supply Chain Management	Material Issue?	Market Participant	No	The Tobacco industry has high gross margins and good diveristy of supply. In most cases one would not expect any material issues from the supply chain in either a financial or operational sense.
Tobacco	Supply Chain Management	Material Issue?	Public Interest & Intermediaries	Yes	<a href="http://www.who.int/fctc/protocol/about/en/">http://www.who.int/fctc/protocol/about/en/</a>



Industry	Mapping to SASB Topic	Survey Category	Stakeholder Type	Suggested Topic/Response	Comment
Tobacco	Supply Chain Management	Other Comment	Market Participant	D.N.A. - Other Comment	My response to the use of US standards for suppliers being difficult to compare is because I am currently unaware how widely acknowledged the standards are and to what extent other comparable standards exist.