



**SASB
STANDARDS**

Now part of IFRS Foundation

Multiline and Specialty Retailers & Distributors

Sustainability Accounting Standard

CONSUMER GOODS SECTOR

Sustainable Industry Classification System® (SICS®) CG-MR

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-06



sasb.org

About the SASB Standards

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

The SASB Standards have been revised to align with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*.

Effective Date

This version 2023-06 of the Standard is effective for all entities for annual periods beginning or after January 1, 2024. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards (“SASB Standards” or “Industry Standards”), categorised pursuant to the [Sustainable Industry Classification System® \(SICS®\)](#).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.
2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.
3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity’s performance for a specific disclosure topic.
4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.
5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the [SASB Standards Application Guidance](#) establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the [SASB Conceptual Framework](#) set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in [SICS®](#). However, companies with substantial business in multiple SICS® industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

The Multiline and Specialty Retailers & Distributors industry encompasses a variety of retailing categories such as department stores, mass merchants, home products stores and warehouse clubs, as well as a smaller segment of distributors like electronics wholesalers and automotive wholesalers. These entities (except for the distribution segment) commonly manage global supply chains to anticipate consumer demands, keep costs low and keep products stocked in their brick-and-mortar storefronts. This is a highly competitive industry in which each category generally has a small number of important players characterised by generally low margins. The relatively substitutable nature of retail makes entities in this industry especially susceptible to reputational risks.

Note: Separate standards exist for the Food Retailers & Distributors (FB-FR), Drug Retailers (HC-DR), E-Commerce (CG-EC) and Apparel, Accessories & Footwear (CG-AA) industries. Retail entities involved in food or drug retail, e-commerce, or apparel, accessories and footwear manufacturing should also consider the disclosure topics and metrics outlined in these other standards.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected ¹	Quantitative	Number, Percentage (%)	CG-MR-230a.2
Labour Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Presentation currency, Percentage (%)	CG-MR-310a.1
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative	Rate	CG-MR-310a.2
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations ²	Quantitative	Presentation currency	CG-MR-310a.3
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees ³	Quantitative	Percentage (%)	CG-MR-330a.1
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination ⁴	Quantitative	Presentation currency	CG-MR-330a.2
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Presentation currency	CG-MR-410a.1
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3

¹ Note to **CG-MR-230a.2** – Disclosure shall include a description of corrective actions implemented in response to data breaches.

² Note to **CG-MR-310a.3** – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

³ Note to **CG-MR-330a.1** – The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.

⁴ Note to **CG-MR-330a.2** – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of: (1) retail locations and (2) distribution centres	Quantitative	Number	CG-MR-000.A
Total area of: (1) retail space and (2) distribution centres	Quantitative	Square metres (m ²)	CG-MR-000.B

Energy Management in Retail & Distribution

Topic Summary

Entities in this industry require significant amounts of energy for retail facilities and warehouses. An increasing number of greenhouse gas (GHG) emissions regulations and incentives for energy efficiency and renewable energy may result in price increases for conventional electricity sources while making alternative sources more cost-competitive. Fossil fuel-based energy production and consumption contribute to significant environmental impacts, including climate change and pollution. Energy sourcing decisions can create trade-offs related to energy supply costs and operational reliability. Overall energy efficiency and access to alternative energy sources are becoming increasingly important for entities to manage. Efficiency in this area can have financial implications through direct cost savings, which are particularly beneficial in this low-margin industry.

Metrics

CG-MR-130a.1. (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable

- 1 The entity shall disclose (1) the total amount of energy it consumed as an aggregate figure, in gigajoules (GJ).
 - 1.1 The scope of energy consumption includes energy from all sources, including energy purchased from external sources and energy produced by the entity itself (self-generated). For example, direct fuel usage, purchased electricity, and heating, cooling and steam energy are all included within the scope of energy consumption.
 - 1.2 The scope of energy consumption includes only energy directly consumed by the entity during the reporting period.
 - 1.3 In calculating energy consumption from fuels and biofuels, the entity shall use higher heating values (HHV), also known as gross calorific values (GCV), which are measured directly or taken from the Intergovernmental Panel on Climate Change (IPCC).
- 2 The entity shall disclose (2) the percentage of energy it consumed that was supplied from grid electricity.
 - 2.1 The percentage shall be calculated as purchased grid electricity consumption divided by total energy consumption.
- 3 The entity shall disclose (3) the percentage of energy it consumed that was renewable energy.
 - 3.1 Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass.
 - 3.2 The percentage shall be calculated as renewable energy consumption divided by total energy consumption.

- 3.3 The scope of renewable energy includes renewable fuel the entity consumed, renewable energy the entity directly produced and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier programme, or other green power products that explicitly include RECs or GOs, or for which Green-e Energy Certified RECs are paired with grid electricity.
- 3.3.1 For any renewable electricity generated on-site, any RECs and GOs shall be retained (not sold) and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.
- 3.3.2 For renewable PPAs and green power products, the agreement shall explicitly include and convey that RECs and GOs be retained or replaced and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.
- 3.3.3 The renewable portion of the electricity grid mix that is outside of the control or influence of the entity is excluded from the scope of renewable energy.
- 3.4 For the purposes of this disclosure, the scope of renewable energy from biomass sources is limited to materials certified to a third-party standard (for example, Forest Stewardship Council, Sustainable Forest Initiative, Programme for the Endorsement of Forest Certification or American Tree Farm System), materials considered eligible sources of supply according to the *Green-e Framework for Renewable Energy Certification, Version 1.0* (2017) or Green-e regional standards, or materials eligible for an applicable jurisdictional renewable portfolio standard.
- 4 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel usage (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

Data Security

Topic Summary

Consumers trust retail entities with their financial and personal data every time they make a noncash transaction. Credit cards and debit cards have steadily eclipsed cash and cheques as consumers' preferred payment methods. In these noncash transactions, retailers build up a relationship of trust with consumers, assuring them of the safety of their personal information. Data breaches can occur both through breaches of the physical payment technology, called point-of-sales breaches, as well as through cyber attacks. As consumers become more educated about the threats of cybercrime, particularly in the wake of continued high-profile attacks, having a reputation as a secure entity is increasingly important to maintain or gain market share. Retailers that prevent major data breaches can also avoid harming brand value and reduce liabilities.

Metrics

CG-MR-230a.1. Description of approach to identifying and addressing data security risks

- 1 The entity shall describe its approach to identifying vulnerabilities in its information systems that pose a data security risk.
 - 1.1 Vulnerability is defined as a weakness in an information system, system security procedures, internal controls, and/or implementation that could be exploited.
 - 1.2 Data security risk is defined as any circumstance or event with the potential to adversely impact organisational operations (including mission, functions, image, or reputation), organisational assets, individuals, other organisations, or nations through an information system via unauthorised access, destruction, disclosure, modification of information, and/or denial of service.
- 2 The entity shall describe its approach to addressing data security risks and vulnerabilities it has identified, including, but not limited to, operational procedures, management processes, structure of products, selection of business partners, employee training, and use of technology.
- 3 The entity may discuss trends it has observed in type, frequency, and origination of attacks to its data security and information systems.
- 4 The entity may describe the degree to which its approach is aligned with an external standard or framework and/or legal or regulatory framework for managing data security, such as:
 - 4.1 ISO/IEC 27001:2013– Information technology– Security techniques– Information security management systems– Requirements

4.2 *Framework for Improving Critical Infrastructure Cybersecurity, Version 1.1*, April 16, 2018, National Institute of Standards and Technology (NIST)

- 5 The U.S. SEC's Commission Statement and Guidance on Public Company Cybersecurity Disclosures may provide further guidance on disclosures on the entity's approach to addressing data security risks and vulnerabilities.
- 6 All disclosure shall be sufficient such that it is specific to the risks the entity faces but disclosure itself would not compromise the entity's ability to maintain data privacy and security.

CG-MR-230a.2. (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected

- 1 The entity shall calculate and disclose (1) the total number of data breaches identified during the reporting period.
 - 1.1 Data breach is defined as the unauthorised movement or disclosure of sensitive information to a party, usually outside the organisation, that is not authorised to have or see the information. This definition is derived from the U.S. National Initiative for Cybersecurity Careers and Studies (NICCS) glossary.
 - 1.2 The scope of disclosure is limited to data breaches that resulted in a deviation from the entity's expected outcomes for confidentiality and/or integrity.
- 2 The entity shall disclose (2) the percentage of data breaches in which personally identifiable information (PII) was subject to the data breach.
 - 2.1 PII is defined as any information about an individual that is maintained by an entity, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, Social Security Number (SSN), date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. This definition is derived from the U.S. Government Accountability Office's Report to Congressional Requesters, *Alternatives Exist for Enhancing Protection of Personally Identifiable Information*.
 - 2.2 The scope of disclosure shall include incidents in which encrypted data were acquired with an encryption key that was also acquired, as well as if there is a reasonable belief that encrypted data could be readily converted to plaintext.
 - 2.2.1 Encryption is defined as the process of transforming plaintext into ciphertext. This definition is derived from the NICCS glossary.
 - 2.3 The scope of disclosure is limited to breaches in which customers were notified of the breach, either as required by law or voluntarily by the entity.
- 3 The entity shall disclose (3) the total number of unique customers who were affected by data breaches, which includes all those whose personal data was compromised in a data breach.

- 3.1 Accounts that the entity cannot verify as belonging to the same customer shall be disclosed separately.
- 4 The entity may delay disclosure if a law enforcement agency has determined that notification impedes a criminal investigation or until the law enforcement agency determines that such notification does not compromise the investigation.

Note to **CG-MR-230a.2**

- 1 The entity shall describe the corrective actions taken in response to data breaches, such as changes in operations, management, processes, products, business partners, training, or technology.
 - 1.1 The U.S. SEC's Commission Statement and Guidance on Public Company Cybersecurity Disclosures may provide further guidance on disclosures on the corrective actions taken in response to data breaches.
- 2 All disclosure shall be sufficient such that it is specific to the risks the entity faces, but disclosure itself will not compromise the entity's ability to maintain data privacy and security.
- 3 The entity may disclose its policy for disclosing data breaches to affected customers in a timely manner.

Labour Practices

Topic Summary

Retail's significance to the U.S. economy as a major employer means that it is also often at the centre of public labour-practice discussions. This can have serious reputational implications for entities in the industry whose performance on labour relations is poor. The low-average wages in the industry, which help entities maintain low prices on products, may increase these labour-related risks. Since customers regularly interact directly with employees, entities can face a decrease in market share and revenue from negative consumer sentiment due to public disagreement between entities and their workers. Entities can enhance labour productivity and employee engagement by taking a long-term approach to managing workers in areas such as compensation and workers' rights. In addition to mitigating risks, improvements in labour productivity can help strengthen an entity's reputation and reduce its cost of capital.

Metrics

CG-MR-310a.1. (1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region

- 1 The entity shall disclose the average hourly wage paid to in-store and distribution centre employees for each geographic region for which it conducts segment financial reporting.
 - 1.1 In-store employees include cashiers, customer service representatives, first-line supervisors/managers of retail sales workers, retail salespersons, and stock clerks and order fillers. These employees are generally classified in the U.S. Bureau of Labour Statistics (BLS) Standard Occupation Classification under the General Merchandise Stores subsector (NAICS 452).
 - 1.2 The entity shall calculate the average hourly wage as the total hourly wages, including commissions but excluding overtime pay, paid to in-store and distribution centre employees for the reporting period divided by the number of regular hours worked, excluding overtime hours, by in-store and distribution centre employees during the reporting period.
- 2 The entity shall disclose the percentage of in-store employees and distribution centre employees that earn minimum wage for each geographic region for which it conducts segment financial reporting.
 - 2.1 Minimum wage is defined as the locally mandated minimum wage applicable for each worker.
 - 2.2 The entity shall calculate the percentage by dividing the number of in-store and distribution centre employees that earn minimum wage by the total number of in-store and distribution centre employees.
 - 2.3 For countries or regions with no minimum wage requirement, the 10th percentile hourly wage of all wage earners in that country or region shall be used.
- 3 The scope of disclosure excludes corporate employees.

- 4 The entity may discuss the sensitivity of its costs and profit margins to future adjustments in minimum wage, including:
 - 4.1 The likelihood of a minimum wage increase in the regions where the entity operates, and the regions in which this is more likely to occur
 - 4.2 The percentage of its current in-store and distribution centre employees whose salaries are near the current minimum wage, and whose salaries may necessitate an increase given a change in minimum wage regulations
 - 4.3 The magnitude of the financial impact that a minimum wage increase would likely have on the entity

CG-MR-310a.2. (1) Voluntary and (2) involuntary turnover rate for in-store employees

- 1 The entity shall disclose the rate of employee turnover of in-store and distribution centre employees.
 - 1.1 Turnover shall be calculated and disclosed separately for voluntary and involuntary departures.
 - 1.2 The scope of disclosure excludes corporate staff and executives. All calculations are based on the number of in-store and distribution centre employees (i.e., those employees who work on-site in retail facilities, warehouses, or distribution centres).
- 2 The entity shall calculate the voluntary turnover rate as the total number of employee-initiated voluntary separations (such as resignations or retirement) during the reporting period divided by the total number of employees during the reporting period.
- 3 The entity shall calculate the involuntary turnover rate as the total number of entity-initiated separations (such as dismissal, downsizing, redundancy, or non-renewal of contract) during the reporting period divided by the number of employees during the reporting period.

CG-MR-310a.3. Total amount of monetary losses as a result of legal proceedings associated with labour law violations

- 1 The entity shall disclose the total amount of monetary losses it incurred during the reporting period as a result of legal proceedings associated with labour law violations such as those relating to wages, work hours, overtime, meal and rest breaks, as well as violations of the U.S. Fair Labour Standards Act.
- 2 The legal proceedings shall include any adjudicative proceeding in which the entity was involved, whether before a court, a regulator, an arbitrator, or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement or verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (e.g., civil judgments or settlements), regulatory proceedings (e.g., penalties, disgorgement,

or restitution), and criminal actions (e.g., criminal judgement, penalties, or restitution) brought by any entity (e.g., governmental, business, or individual).

- 4 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.

Note to **CG-MR-310a.3**

- 1 The entity shall briefly describe the nature (e.g., judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement, or non-prosecution agreement) and context (e.g., improper working conditions, or unfair compensation) of all monetary losses as a result of legal proceedings.
- 2 The entity shall describe any corrective actions it has implemented as a result of the legal proceedings. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

Workforce Diversity & Inclusion

Topic Summary

The Multiline and Specialty Retailers & Distributors industry is consumer-facing and relies on the ability to communicate effectively with customers during the sales process and adapt to changing consumer demands for products. As the populations of many developed markets undergo a massive demographic shift, including increases in minority populations, entities in this industry can benefit from ensuring that their entity culture and hiring and promotion practices embrace the building of a diverse workforce at management- and junior-level positions. Retailers that respond to this demographic shift and employ staff who will be able to recognise the needs of diverse populations may be better able to capture demand from segments that have traditionally been overlooked, which can provide entities a competitive advantage. Furthermore, such entities may benefit from decreased legal and regulatory risks, as well as improved reputational value.

Metrics

CG-MR-330a.1. Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees

- 1 The entity shall disclose gender representation for all employees and racial/ethnic group representation for its U.S. employees by employee category.
 - 1.1 The following employee categories shall be used: (1) management and (2) all other employees.
- 2 Gender and racial/ethnic group representation shall be disclosed in percentages, where the percentage shall be calculated as the number of employees in each gender or racial/ethnic group in each employee category divided by the total number of employees in the respective employee category.
- 3 For U.S. employees, the entity shall categorise the employees in accordance with the Equal Employment Opportunity Commission's Employer Information EEO-1 report (EEO-1 Survey) Instruction Booklet where each employee category for disclosure is defined by corresponding job categories and descriptions in the Instruction Booklet:
 - 3.1 Management includes the following:
 - 3.1.1 Executive/Senior Level Officials and Managers: individuals who plan, direct and formulate policies, set strategy and provide the overall direction of enterprises/organisations for the development and delivery of products or services, within the parameters approved by boards of directors or other governing bodies. Residing in the highest levels of organisations, these executives plan, direct or coordinate activities with the support of subordinate executives and staff managers. They include, in larger organisations, those individuals within two reporting levels of the CEO, whose responsibilities require frequent interaction with the CEO. Examples of these kinds of managers are: chief executive officers, chief operating officers, chief financial officers, line of business heads, presidents or executive vice

presidents of functional areas or operating groups, chief information officers, chief human resources officers, chief marketing officers, chief legal officers, management directors and managing partners.

3.1.2 Non-executive management includes First/Mid Level Officials and Managers: individuals who serve as managers, other than those who serve as Executive/Senior Level Officials and Managers, including those who oversee and direct the delivery of products, services or functions at group, regional or divisional levels of organisations. These managers receive directions from the Executive/Senior Level management and typically lead major business units. They implement policies, programs and directives of executive/senior management through subordinate managers and within the parameters set by Executive/Senior Level management. Examples of these kinds of managers are: vice presidents and directors, group, regional or divisional controllers; treasurers; human resources, information systems, marketing, and operations managers. The First/Mid Level Officials and Managers subcategory also includes those who report directly to middle managers. These individuals serve at functional, line of business segment or branch levels and are responsible for directing and executing the day-to-day operational objectives of enterprises/organisations, conveying the directions of higher level officials and managers to subordinate personnel and, in some instances, directly supervising the activities of exempt and non-exempt personnel. The EEO-1 Job Classification Guide provides examples of job titles in this category.

3.1.3 Management shall include both managers at the corporate level and store level.

3.2 All other employees includes those employees who are not classified as management.

- 4 For non-U.S. employees, the entity shall categorise the employees in a manner generally consistent with the definitions provided above, though in accordance with, and further facilitated by, any applicable local regulations, guidance, or generally accepted definitions.
- 5 The entity shall categorise the gender of its employees as female, male, or not disclosed/available.
- 6 The entity shall categorise the racial/ethnic group of its U.S. employees in accordance with the EEO-1 Survey Instruction Booklet and use the following categories: Asian, Black or African American, Hispanic or Latino, White, Other (which includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races" classifications), or not disclosed/available.
- 7 The entity may provide supplemental disclosures on gender and/or racial/ethnic group representation by country or region.
- 8 The entity may provide supplemental contextual disclosures on factors that significantly influence gender and/or racial/ethnic group representation, such as the country or region where employees are located.
- 9 The entity may disclose gender and/or racial/ethnic group representation by employee category in the following table formats:

Table 3. Gender Representation of Global Employees (%)

	FEMALE	MALE	N/A *
Management			
All Other Employees			

* N/A = not available or not disclosed

Table 4. Racial/Ethnic Group Representation of U.S. Employees (%)

	ASIAN	BLACK OR AFRICAN AMERICAN	HISPANIC OR LATINO	WHITE	OTHER ^	N/A *
Management						
All Other Employees						

^ Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races"

* N/A = not available or not disclosed

Note to **CG-MR-330a.1**

- 1 The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.
 - 1.1 Relevant policies may include maintaining transparency of hiring, promotion, and wage practices, ensuring equal employment opportunity, developing and disseminating diversity policies, and ensuring management accountability for equitable representation.
 - 1.2 Relevant programs may include trainings on diversity, mentorship and sponsorship programs, partnership with employee resource and advisory groups, and provision of flexible work schedules to accommodate the varying needs of employees.
 - 1.3 Relevant aspects of employee representation include, at a minimum, gender and race/ethnicity. The entity may disclose on other aspects of its workforce, such as, age, physical abilities/qualities, sexual orientation, and religious beliefs, as relevant to local jurisdiction.

CG-MR-330a.2. Total amount of monetary losses as a result of legal proceedings associated with employment discrimination

- 1 The entity shall disclose the total amount of monetary losses it incurred during the reporting period as a result of legal proceedings associated with discrimination.

- 2 The legal proceedings shall include any adjudicative proceeding in which the entity was involved, whether before a court, a regulator, an arbitrator, or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement or verdict after trial or otherwise), including fines and other monetary liabilities during the reporting period as a result of civil actions (e.g., civil judgments or settlements), regulatory proceedings (e.g., penalties, disgorgement, or restitution), and criminal actions (e.g., criminal judgement, penalties, or restitution) brought by any entity (e.g., governmental, business, or individual).
- 4 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.
- 5 The scope of disclosure shall include, but is not limited to, legal proceedings associated with the following types of discrimination (as defined by the U.S. Equal Employment Opportunity Commission (EEOC)):
 - 5.1 Age discrimination, which involves treating someone (an applicant or employee) less favourably because of his or her age
 - 5.2 Disability discrimination, which occurs if the entity treats an individual with a disability who is an employee or applicant unfavourably because he or she has a disability
 - 5.3 Equal pay and compensation discrimination, which involves discrimination in compensation
 - 5.4 Genetic information discrimination, which involves employment discrimination on the basis of genetic information
 - 5.5 Harassment discrimination, which involves unwelcome conduct that is based on race, colour, religion, sex (including pregnancy), national origin, age (40 or older), disability, or genetic information
 - 5.6 National origin discrimination, which involves treating people (applicants or employees) unfavourably because they are from a particular country or part of the world, because of ethnicity or accent, or because they appear to be of a certain ethnic background (even if they are not)
 - 5.7 Pregnancy discrimination, which involves treating a woman (an applicant or employee) unfavourably because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth
 - 5.8 Race/colour discrimination, which involves treating someone (an applicant or employee) unfavourably because he/she is of a certain race or because of personal characteristics associated with race
 - 5.9 Religious discrimination, which involves treating a person (an applicant or employee) unfavourably because of his or her religious beliefs
 - 5.10 Retaliation discrimination, which makes it illegal to fire, demote, harass, or otherwise “retaliate” against people (applicants or employees) because they filed a charge of discrimination, because they complained to

their employer about discrimination on the job, or because they participated in an employment discrimination proceeding (such as an investigation or lawsuit)

- 5.11 Sex discrimination, which involves treating someone (an applicant or employee) unfavourably because of that person's sex and includes sexual harassment

Note to **CG-MR-330a.2**

- 1 The entity shall briefly describe the nature (e.g., judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement, non-prosecution agreement) and context (e.g., unfair hiring and/or promotion practices, biased compensation practices) of all monetary losses as a result of legal proceedings.
- 2 The entity shall describe any corrective actions it has implemented as a result of the legal proceedings. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

Product Sourcing, Packaging & Marketing

Topic Summary

Entities in the Multiline and Specialty Retailers & Distributors industry sell a wide array of products including electronics, clothing, furnishings, and cosmetics, which all have varying environmental and social impacts throughout their lifecycles. The size and subsequent buying power of many entities in this industry allow them to work with their suppliers to source products and packaging with lower lifecycle environmental and social impacts. Entities that perform well in this regard may benefit from increased customer demand and improved margins. Taking a proactive approach to engaging suppliers, using certification standards, and reducing the environmental impacts of packaging are strategies commonly employed by entities in the industry.

Metrics

CG-MR-410a.1. Revenue from products third-party certified to environmental and/or social sustainability standards

- 1 The entity shall disclose its revenue from products that are third-party certified to an environmental or social sustainability standard.
 - 1.1 Third-party certification is defined as review by an independent organisation that determines that the final product complies with specific standards.
 - 1.2 A product is considered to be certified to an environmental or social sustainability standard if:
 - 1.2.1 It has achieved certification through a government program, including, but not limited to, the U.S. Environmental Protection Agency (EPA) Star and Water Sense programs, U.S. Department of Agriculture (USDA) Certified Organic, or is listed in the EPA's Comprehensive Procurement Guidelines (CPG) directory.
 - 1.2.2 It has achieved certification to a third-party environmental or social sustainability standard or sustainability standards promulgated by organisations including, but not limited to, the American National Standards Institute (ANSI) or ASTM International, Fair Trade Certified, Forestry Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), Rainforest Alliance Certified, BPI Compostable, Cradle to Cradle, Green Seal, or Marine Stewardship Council.
 - 1.3 A product with third-party certification shall be considered certified regardless of what level or tier of certification it received.
 - 1.4 The scope of disclosure includes third-party certifications that are based on either environmental or social best practices or both environmental and social best practices.

CG-MR-410a.2. Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products

- 1 The entity shall discuss the business and operational processes it employs to assess and manage potential risks and hazards associated with materials, chemicals, and substances (hereafter “chemicals”) in products it offers for sale.
 - 1.1 The scope of disclosure shall focus on third-party branded products and private-label products that are offered for sale by the entity.
 - 1.2 Private-label products include store-brand products packaged for sale under the entity’s brand name(s), whether manufactured by the entity or by another manufacturer.
 - 1.3 The entity may discuss its management of chemicals used during manufacturing and production of products or that are associated with the production of raw materials or components of products, but which are not present in finished products.
- 2 The entity shall describe whether its approach to chemicals management is characterised by a hazard-based, risk-based, or other approach, where:
 - 2.1 A hazard-based approach to chemicals management is defined as the process of identifying and managing the usage of chemicals based on the inherent human-health and environmental toxicological characteristics of chemical ingredients, including specific exposure routes (e.g., oral, dermal, or inhalation) and the dosages (amounts) of a substance it takes to cause an adverse effect.⁵
 - 2.2 A risk-based approach to chemicals management is defined as managing the usage of chemicals based on the integration of chemical hazard information with an assessment of chemical exposure (i.e., route, frequency, duration, and magnitude) to assess the probability and magnitude of harm to a given population(s) arising from exposure to a chemical, given attendant uncertainties.⁶
 - 2.3 Other approaches may include the use of hazard-based and risk-based approaches depending on the chemical in question, product category, business segment, operating region, and/or intended product user.
- 3 The entity shall discuss the operational processes it employs for chemicals management, where:
 - 3.1 Relevant operational processes that typify hazard-based approaches include limiting or restricting certain chemicals in products it chooses to sell because the chemicals may be prohibited by a regulation or because they have known toxicity at levels at or below amounts detectable in finished products (e.g., use of a restricted substances list (RSL) for chemicals that are banned where the entity operates and/or for chemicals that the entity has chosen to limit or eliminate).

⁵ Definition adapted from “Environmental Health Criteria 222 | Biomarkers In Risk Assessment: Validity And Validation,” International Programme on Chemical Safety (IPCS), World Health Organization, 2001 and “Understanding Risk and Hazard When it Comes to Chemicals,” American Chemistry Council, accessed August 21, 2015, <http://chemicalsafetyfacts.org/understanding-risk/>.

⁶ Definition adapted from “Environmental Health Criteria 222 | Biomarkers In Risk Assessment: Validity And Validation,” International Programme on Chemical Safety (IPCS), World Health Organization, 2001 and “Understanding Risk and Hazard When it Comes to Chemicals,” American Chemistry Council, accessed August 21, 2015, <http://chemicalsafetyfacts.org/understanding-risk/>.

- 3.2 Relevant operational processes that typify risk-based management include evaluating products' chemical hazard data, conducting an assessment of exposure pathways resulting from use of products, and identifying potential corresponding health risks from products through the use of screening methods and chemical risk framework tools, such as the World Health Organization (WHO) Human Health Risk Assessment Toolkit: Chemical Hazards and the International Council of Chemical Associations (ICCA) Guidance on Chemical Risk Assessment.
- 3.3 Additional frameworks for hazard- and risk-based chemical assessments include those compiled by the Organisation for Economic Co-operation and Development (OECD).
- 4 The entity shall describe how it prioritises chemicals for reduction and/or elimination from products it offers for sale, how it communicates these priorities to suppliers and enforces compliance, and whether it encourages or requires suppliers to consider alternative chemicals in product formulations.
 - 4.1 Examples of assessment tools and methods include, but are not limited to, GreenScreen® For Safer Chemicals and U.S. EPA Design for the Environment (DfE) Alternatives Assessments.
- 5 The entity shall describe its policies and practices for disclosing full chemical formulations for the products it offers for sale.
 - 5.1 The scope of disclosure includes the channels through which the entity provides the full chemical formulations of products, which include, but are not limited to: product labels, the entity's website, and the entity's online store.
 - 5.2 The scope of disclosure includes third-party branded products and the entity's private-label products.
- 6 The entity shall disclose if it pursues testing and/or third-party certification to verify the chemical content of its private-label products or if it selects third-party branded products based on whether they have obtained third-party certification that verifies their chemical content, including which certifications it holds and to which products the certifications apply.
- 7 The entity may identify chemicals found in its product portfolio for which it has a policy to reduce, eliminate, or assess, for reasons, as determined by the entity, such as:
 - 7.1 There is incomplete and/or insufficient availability of toxicity information such that the entity cannot determine if the chemical is safe for use
 - 7.2 Pending or anticipated regulations may limit or restrict the use of the chemical in the future
 - 7.3 There is potential for environmental harm, but not human health harm, that the entity wishes to limit
 - 7.4 In response to shifts in market demand or expectations relating to the usage of a specific chemical, class of chemicals, or category of chemicals that may not be regulated but are recognised by the entity as being "of

concern” to consumers, customers, regulators, and/or others (e.g., nongovernmental organisations, scientific researchers)

- 8 Where the entity has identified specific chemicals for elimination or substitution in its product portfolio, it may discuss the timeline to achieve its goals, identify which products or product lines will be affected by the elimination or substitution, and provide an analysis of progress toward achieving its goals.
- 9 The entity may discuss its policy for selecting products to sell that use chemicals classified as Group 1 carcinogens by the IARC Monographs on the Evaluation of Carcinogenic Risks to Humans, and substances listed in Annex XVII to REACH, including its policy for labelling such products.
- 10 Where applicable, the entity shall describe its approach to chemicals management in the context of each stage in its private-label products’ lifecycles, such as product design and planning, materials and chemicals procurement, manufacturing, finished-goods testing, and product labelling and marketing.
- 11 Where chemicals management policies and practices differ significantly by business unit, product category, or geography, the entity shall describe those differences.

CG-MR-410a.3. Discussion of strategies to reduce the environmental impact of packaging

- 1 The entity shall discuss its strategies to reduce the environmental impacts of packaging, such as optimising packaging weight and volume for a given application, or using alternative materials, including those that are renewable, recycled, recyclable, or compostable.
- 2 Relevant disclosure may include, but is not limited to, the following:
 - 2.1 Design innovations, including strategies to optimise the amount of material used; packaging weight, shape, and size; product-to-package ratio; cube utilisation; and void fill
 - 2.2 Implementation of the “Essential Requirements” in Article 9, Annex II of the EU Directive on Packaging and Packaging Waste (94/62/EC), which includes minimization of packaging weight and volume to the amount needed for safety, hygiene, and consumer acceptance of the packed product; minimization of noxious or hazardous constituents; and suitability for reuse, material recycling, energy recovery, or composting
 - 2.3 Performance on the Global Protocol on Packaging Sustainability 2.0 metrics for Packaging Weight and Optimization and/or Assessment and Minimization of Substances Hazardous to the Environment
- 3 The entity may discuss its strategies as they relate to primary, secondary, and tertiary packaging of its private-label products as well as the packaging of products from its vendors.
 - 3.1 Primary packaging is defined as the packaging designed to come into direct contact with the product.

- 3.2 Secondary packaging is defined as the packaging designed to contain one or more primary packages together with any protective materials, where required.
 - 3.3 Tertiary packaging is designed to contain one or more articles or packages, or bulk material, for the purposes of transport, handling, and/or distribution. Tertiary packaging is also known as “distribution” or “transport” packaging.
 - 3.4 Private-label products include store-branded products packaged for sale with the retailer’s name, whether manufactured by the retailer or by another manufacturer.
- 4 The entity may discuss its use of Life Cycle Assessment (LCA) analysis in the context of its approach to environmental impact reduction and maximisation of product efficiency, including weight reduction and transportation efficiency.
- 4.1 When discussing improvements to the environmental efficiency of packaging products, improvements may be discussed in terms of LCA functional unit service parameters (i.e., time, extent, and quality of function).



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