



SUSTAINABILITY ACCOUNTING STANDARD  
RESOURCE TRANSFORMATION SECTOR

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# CONTAINERS & PACKAGING

## Sustainability Accounting Standard

Sustainable Industry Classification System™ (SICS™) # RT0204  
Prepared by the  
Sustainability Accounting Standards Board®

MARCH 2015  
Provisional Standard

# CONTAINERS & PACKAGING

## Sustainability Accounting Standard

### About SASB

The Sustainability Accounting Standards Board (SASB) provides sustainability accounting standards for use by publicly listed corporations in the U.S. in disclosing material sustainability information for the benefit of investors and the public. SASB standards are designed for disclosure in mandatory filings to the Securities and Exchange Commission (SEC), such as the Form 10-K and 20-F. SASB is an independent 501(c)3 non-profit organization. Through 2016, SASB is developing standards for more than 80 industries in 10 sectors.

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# INTRODUCTION

## Purpose & Structure

This document contains the SASB Sustainability Accounting Standard (SASB Standard) for the Containers & Packaging industry.

SASB Sustainability Accounting Standards are comprised of **(1) disclosure guidance and (2) accounting standards on sustainability topics** for use by U.S. and foreign public companies in their annual filings (Form 10-K or 20-F) with the U.S. Securities and Exchange Commission (SEC). To the extent relevant, SASB Standards may also be applicable to other periodic mandatory filings with the SEC, such as the Form 10-Q, Form S-1, and Form 8-K.

SASB Standards identify sustainability topics at an industry level, which may constitute material information—depending on a company’s specific operating context—for a company within that industry. SASB Standards are intended to provide guidance to company management, which is ultimately responsible for determining which information is material and should therefore be included in its Form 10-K or 20-F and other periodic SEC filings.

SASB Standards provide companies with standardized sustainability metrics designed to communicate performance on industry level sustainability topics. When making disclosure on sustainability topics, companies can use SASB Standards to help ensure that disclosure is standardized and therefore decision-useful, relevant, comparable, and complete.

SASB Standards are intended to constitute “suitable criteria” as defined by AT 101.23 -. 32<sup>1</sup> and referenced in AT 701<sup>2</sup>, as having the following attributes:

- *Objectivity*—Criteria should be free from bias.
- *Measurability*—Criteria should permit reasonably consistent measurements, qualitative or quantitative, of subject matter.
- *Completeness*—Criteria should be sufficiently complete so that those relevant factors that would alter a conclusion about subject matter are not omitted.
- *Relevance*—Criteria should be relevant to the subject matter.

## Industry Description

The Containers & Packaging industry manufactures a wide range of products, including corrugated cardboard packaging, food and beverage containers, bottles for household products, aluminum cans, steel drums, and other forms of packaging. Collectively, the glass, metal, plastic, and paper containers segments share similar hurdles and business characteristics. The industry uses large amounts of raw certain inputs such as metal, plastic, paper, and glass materials. Materials sourcing is a significant costs for the industry and is associated with environmental and social externalities in the supply chain, resulting in reputational and pricing risks. Similarly the design, manufacturing and end-of-life treatment of containers and packaging can create significant environmental impact. As a result, the industry is under increasing customer and regulatory pressure to limit social and environmental impacts throughout the life-cycle of their products.

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<sup>1</sup> [http://pcaobus.org/Standards/Attestation/Pages/AT101.aspx#at\\_101\\_fn7](http://pcaobus.org/Standards/Attestation/Pages/AT101.aspx#at_101_fn7)

<sup>2</sup> <http://pcaobus.org/Standards/Attestation/Pages/AT701.aspx>

# Guidance for Disclosure of Material Sustainability Topics in SEC Filings

## 1. Industry-Level Sustainability Disclosure Topics

For the Containers & Packaging industry, SASB has identified the following sustainability disclosure topics:

- Greenhouse Gas Emissions
- Air Quality
- Energy Management
- Water Management
- Waste Management
- Product Safety
- Product Lifecycle Management
- Materials Sourcing

## 2. Company-Level Determination and Disclosure of Material Sustainability Topics

Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.”<sup>3, 4</sup>

SASB has attempted to identify those sustainability topics that are reasonably likely to have a material effect on the financial condition or operating performance of companies within each SICs industry. SASB recognizes, however, that each company is ultimately responsible for determining what information should be disclosed within the context of Regulation S-K and other guidance.

Regulation S-K, which sets forth certain disclosure requirements associated with Form 10-K and other SEC filings, requires companies, among other things, to describe in the Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section of Form 10-K “any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. If the registrant knows of events that will cause a material change in the relationship between costs and revenues (such as known future increases in costs of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.”

Furthermore, Instructions to Item 303 state that the MD&A “shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.”<sup>2</sup>

The SEC has provided guidance for companies to use in determining whether a trend or uncertainty should be disclosed. The two-part assessment –prescribed by the SEC, based on probability and magnitude, can be applied to the topics included within this standard:

- First, a company is not required to make disclosure about a known trend or uncertainty if its management determines that such trend or uncertainty is not reasonably likely to occur.

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<sup>3</sup> TSC Industries v. Northway, Inc., 426 U.S. 438 (1976).

<sup>4</sup> C.F.R. 229.303(Item 303)(a)(3)(ii).

- Second, if a company’s management cannot make a reasonable determination of the likelihood of an event or uncertainty, then disclosure is required unless management determines that a material effect on the registrant’s financial condition or results of operation is not reasonably likely to occur.

### 3. Sustainability Accounting Standard Disclosures in Form 10-K

#### a. Management’s Discussion and Analysis

For purposes of comparability and usability, that companies should consider making disclosure on sustainability topics in the MD&A, in a sub-section titled “**Sustainability Accounting Standards Disclosures**.”<sup>5</sup>

#### b. Other Relevant Sections of Form 10-K

In addition to the MD&A section, it may be relevant for companies to disclose sustainability information in other sections of Form 10-K, including, but not limited to:

- **Description of business**—Item 101 of Regulation S-K requires a company to provide a description of its business and its subsidiaries. Item 101(c)(1)(xii) expressly requires disclosure regarding certain costs of complying with environmental laws:

*Appropriate disclosure also shall be made as to the material effects that compliance with Federal, State and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, may have upon the capital expenditures, earnings and competitive position of the registrant and its subsidiaries.*

- **Legal proceedings**—Item 103 of Regulation S-K requires companies to describe briefly any material pending or contemplated legal proceedings. Instructions to Item 103 provide specific disclosure requirements for administrative or judicial proceedings arising from laws and regulations that target discharge of materials into the environment or that are primarily for the purpose of protecting the environment.
- **Risk factors**—Item 503(c) of Regulation S-K requires filing companies to provide a discussion of the most significant factors that make an investment in the registrant speculative or risky, clearly stating the risk and specifying how a particular risk affects the particular filing company.

#### c. Rule 12b-20

Securities Act Rule 408 and Exchange Act Rule 12b-20 require a registrant to disclose, in addition to the information expressly required by law or regulation, “such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.”

More detailed guidance on disclosure of material sustainability topics can be found in the **SASB Conceptual Framework**, available for download via <http://www.sasb.org/approach/conceptual-framework/>.

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<sup>5</sup> [SEC \[Release Nos. 33-8056; 34-45321; FR-61\] Commission Statement about Management’s Discussion and Analysis of Financial Condition and Results of Operations](#): “We also want to remind registrants that disclosure must be both useful and understandable. That is, management should provide the most relevant information and provide it using language and formats that investors can be expected to understand. Registrants should be aware also that investors will often find information relating to a particular matter more meaningful if it is disclosed in a single location, rather than presented in a fragmented manner throughout the filing.”

# Guidance on Accounting for Material Sustainability Topics

For each sustainability topic included in the Containers & Packaging industry Sustainability Accounting Standard, SASB identifies accounting metrics.

SASB recommends that each company consider using these sustainability accounting metrics when preparing disclosures on the sustainability topics identified herein;

As appropriate—and consistent with Rule 12b-20<sup>6</sup>—when disclosing a sustainability topic identified by this Standard, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following, related to the topic:

- The registrant's **strategic approach** to managing performance on material sustainability issues;
- The registrant's **relative performance** with respect to its peers;
- The **degree of control** the registrant has;
- Any **measures the registrant has undertaken** or **plans to undertake** to improve performance; and
- Data for the registrant's **last three completed fiscal years** (when available).

SASB recommends that registrants use SASB Standards specific to their primary industry as identified in the [Sustainable Industry Classification System \(SICSTM\)](#). If a registrant generates significant revenue from multiple industries, SASB recommends that it also consider sustainability topics that SASB has identified for those industries and disclose the associated SASB accounting metrics.

In disclosing to SASB Standards, it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings.

## Users of the SASB Standards

The SASB Standards are intended to provide guidance for companies that engage in public offerings of securities registered under the Securities Act of 1933 (the Securities Act) and those that issue securities registered under the Securities Exchange Act of 1934 (the Exchange Act),<sup>7</sup> for use in SEC filings, including, without limitation, annual reports on Form 10-K (Form 20-F for foreign issuers), quarterly reports on Form 10-Q, current reports on Form 8-K, and registration statements on Forms S-1 and S-3. Disclosure with respect to the SASB Standards is not required or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

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<sup>6</sup> SEC Rule 12b-20: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

<sup>7</sup> Registration under the Securities Exchange Act of 1934 is required (1) for securities to be listed on a national securities exchange such as the New York Stock Exchange, the NYSE Amex, and the NASDAQ Stock Market or (2) if (A) the securities are equity securities and are held by more than 2,000 persons (or 500 persons who are not accredited investors) and (B) the company has more than \$10 million in assets.

# Scope of Disclosure

Unless otherwise specified, SASB recommends:

- That a registrant disclose on sustainability issues and metrics for itself and for entities that are consolidated for financial reporting purposes as defined by accounting principles generally accepted in the United States for consistency with other accompanying information within SEC filings<sup>8</sup>
- That for consolidated entities, disclosures be made, and accounting metrics calculated, for the whole entity, regardless of the size of the minority interest; and
- That information from unconsolidated entities not be included in the computation of SASB accounting metrics. A registrant should disclose, however, information about unconsolidated entities to the extent that the registrant considers the information necessary for investors to understand the effect of sustainability topics on the company's financial condition or operating performance (typically, this disclosure would be limited to risks and opportunities associated with these entities).

## Reporting Format

### Use of Financial Data

In instances where accounting metrics, activity metrics, and technical protocols in this standard incorporate financial data (e.g., revenues, cost of sales, expenses recorded and disclosed for fines, etc.), such financial data shall be prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP") and be consistent with the corresponding financial data reported within the registrant's SEC filings. Should accounting metrics, activity metrics and technical protocols in this standard incorporate disclosure of financial data that is not prepared in accordance with US GAAP, the registrant shall disclose such information in accordance with the SEC Regulation G.

### Activity Metrics and Normalization

SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures.

SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K (e.g., revenue, EBITDA, etc.).

Such data—termed "activity metrics"—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).

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<sup>8</sup> See US GAAP consolidation rules (Section 810).

Activity metrics disclosed should:

- Convey contextual information that would not otherwise be apparent from SASB accounting metrics.
- Be deemed generally useful for an investor relying on SASB accounting metrics in performing their own calculations and creating their own ratios.
- Be explained and consistently disclosed from period to period to the extent they continue to be relevant. However, a decision to make a voluntary disclosure in one period does not obligate a continuation of that disclosure if it is no longer relevant or if a better metric becomes available.<sup>9</sup>

Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Amount of production, by substrate <sup>10</sup>	Quantitative	Metric tons (t)	RT0204-A
Percentage of production as (a) paper/wood, (b) glass, (c) metal, and (d) plastic	Quantitative	Percentage (%) by revenue	RT0204-B
Number of employees	Quantitative	Number	RT0204-C

## Units of Measure

Unless specified, disclosures should be reported in International System of Units (SI units).

## Uncertainty

SASB recognizes that there may be inherent uncertainty when disclosing certain sustainability data and information. This may be related to variables such as the reliance on data from third-party reporting systems and technologies, or the unpredictable nature of climate events. Where uncertainty around a particular disclosure exists, SASB recommends that the registrant should consider discussing its nature and likelihood.

## Estimates

SASB recognizes that scientifically-based estimates, such as the reliance on certain conversion factors or the exclusion of *de minimis* values, may occur for certain quantitative disclosures. Where appropriate, SASB does not discourage the use of such estimates. When using an estimate for a particular disclosure, SASB expects that the registrant discuss its nature and substantiate its basis.

<sup>9</sup> Improving Business Reporting: Insights into Enhancing Voluntary Disclosures, FASB Business Reporting Research Project, January 29, 2001.

<sup>10</sup> Note to RT0204-A – Relevant substrates include paper and/or wood fiber, glass, metal, and petroleum-based substrates (i.e., polymers).

## Timing

Unless otherwise specified, disclosure shall be for the registrant's fiscal year.

## Limitations

There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings.

Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.

SASB Standards are intended to be aligned with the principles of materiality enforced by the SEC. However, SASB is not affiliated with or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

## Forward-looking Statements

Disclosures on sustainability topics can involve discussion of future trends and uncertainties related to the registrant's operations and financial condition, including those influenced by external variables (e.g., environmental, social, regulatory, and political). Companies making such disclosures should familiarize themselves with the safe harbor provisions of Section 27A of the Securities Act and Section 21E of the Exchange Act, which preclude civil liability for material misstatements or omissions in such statements if the registrant takes certain steps, including, among other things, identifying the disclosure as "forward-looking" and accompanying such disclosure with "meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statements."

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The following sections contain the disclosure guidance associated with each accounting metric such as guidance on definitions, scope, accounting, compilation, and presentation.

The term "shall" is used throughout this document to indicate those elements that reflect requirements of the Standard. The terms "should" and "may" are used to indicate guidance, which, although not required, provides a recommended means of disclosure.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions, percentage covered under a regulatory program	Quantitative	Metric tons CO <sub>2</sub> e, Percentage (%)	RT0204-01
	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, including emission-reduction targets and an analysis of performance against those targets	Discussion and Analysis	n/a	RT0204-02
<b>Air Quality</b>	Air emissions for the following pollutants: NO <sub>x</sub> (excluding N <sub>2</sub> O), SO <sub>x</sub> , particulate matter (PM), and volatile organic compounds (VOCs)	Quantitative	Metric tons (t)	RT0204-03
<b>Energy Management</b>	Total energy consumed, percentage grid electricity, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT0204-04
<b>Water Management</b>	(1) Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress and (2) percentage recycled water usage	Quantitative	Cubic Meters (m <sup>3</sup> ), Percentage (%)	RT0204-05
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Quantitative	Number	RT0204-06
<b>Waste Management</b>	Amount of total waste from manufacturing, percentage hazardous, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT0204-07
<b>Product Safety</b>	Number of recalls and total units recalled <sup>11</sup>	Quantitative	Number	RT0204-08
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	n/a	RT0204-09
<b>Product Lifecycle Management</b>	Percentage of raw materials from (1) recycled content (2) renewable resources	Quantitative	Percentage (%) by metric tons	RT0204-10
	Revenue from products that are reusable, recyclable, and/or compostable	Quantitative	U.S. Dollars (\$)	RT0204-11
	Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	RT0204-12
<b>Materials Sourcing</b>	Total wood fiber purchased, percentage from certified sources	Quantitative	Metric tons (t), Percentage (%) by weight	RT0204-13
	Total aluminum purchased, percentage from certified sources	Quantitative	Metric tons (t), Percentage (%) by weight	RT0204-14

<sup>11</sup> Note to **RT0204-08**—The registrant shall discuss notable recalls, such as those that affected a significant number of products, a significant number of units of one product, or those related to serious injury or fatality.

# Greenhouse Gas Emissions

## Description

Containers and packaging manufacturing generates significant direct (Scope 1) GHG emissions from the combustion of fossil fuels in manufacturing and cogeneration processes. GHG emissions contribute to climate change and create additional regulatory compliance costs and risks for containers and packaging companies due to climate change mitigation policies. Financial impacts on companies will vary depending on the specific location of operations and the prevailing emissions regulations. Companies that cost-effectively reduce GHG emissions in their operations through better energy efficiency, use of cleaner fuels, or manufacturing improvements can garner financial benefits in the form of lower costs and operating risks or additional revenues from the sale of carbon allowances.

## Accounting Metrics

### RT0204-01. Gross global Scope 1 emissions, percentage covered under a regulatory program

- .01 The registrant shall disclose gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the six GHGs covered under the Kyoto Protocol (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride).
  - Emissions of all gases shall be disclosed in metric tons of carbon dioxide equivalents (CO<sub>2</sub>-e), calculated in accordance with published global warming potential (GWP) factors. To date, the preferred source for GWP factors is the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2013).
  - Gross emissions are GHGs emitted to the atmosphere before accounting for any GHG reduction activities, offsets, or other adjustments for activities in the reporting period that have reduced or compensated for emissions.
  - Disclosure corresponds to section CC8.2 of the Carbon Disclosure Project (CDP) Questionnaire (2015) and REQ-11 of the Climate Disclosure Standards Board (CDSB) Climate Change Reporting Framework (CCRF) (2015).
- .02 Scope 1 emissions are defined by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD) in [\*The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard\*](#), March 2004 (hereafter, the "GHG Protocol").
  - These emissions include direct emissions of GHGs from stationary or mobile sources that include, but are not limited to, equipment, production facilities, office buildings, and transportation (i.e., marine, road, or rail).

- .03 GHG emission data shall be consolidated according to the approach with which the registrant consolidates its financial reporting data, which is generally aligned with:
- The Financial Control approach defined by the GHG Protocol and referenced by the [CDP Guidance for companies reporting on climate change on behalf of investors & supply chain members 2013](#) (hereafter, the “CDP Guidance”).<sup>12</sup>
  - The approach detailed in REQ-1, “Organizational boundary setting for GHG emissions reporting,” of the CDSB CCRF (2015).<sup>13</sup>
- .04 The underlying technical approach to data collection, analysis, and disclosure shall be consistent with the CDP Guidance.
- The registrant shall consider the CDP Guidance as a normative reference, thus any updates made year-on-year shall be considered updates to this guidance.
- .05 The registrant shall disclose the percentage of its emissions that are covered under a regulatory program, such as the European Union Emissions Trading Scheme (EU ETS), Western Climate Initiative (WCI), California Cap-and-Trade (California Global Warming Solutions Act), or other regulatory programs.
- Regulatory programs include cap-and-trade schemes and carbon tax/fee systems.
  - Disclosure shall exclude emissions covered under voluntary trading systems and disclosure-based regulations (e.g., the U.S. Environmental Protection Agency (EPA) mandatory reporting rule).
- .06 The registrant should discuss any change in its emissions from the previous fiscal year, such as if the change was due to emissions reductions, divestment, acquisition, mergers, changes in output, and/or changes in calculation methodology.
- .07 In the case that current reporting of GHG emissions to the CDP or other entity (e.g., a national regulatory disclosure program) differs in terms of the scope and consolidation approach used, the registrant may disclose those emissions. However, primary disclosure shall be according to the guidelines described above.
- .08 The registrant should discuss the calculation methodology for its emission disclosure, such as if data are from continuous emissions monitoring systems (CEMS), engineering calculations, mass balance calculations, etc.
- .09 The registrant should consult the most recent version of each document referenced in this standard at the time disclosure occurs.

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<sup>12</sup> “An organization has financial control over an operation if it has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities. Generally an organization has financial control over an operation for GHG accounting purposes if the operation is treated as a group company or subsidiary for the purposes of financial consolidation.” *Guidance for companies reporting on climate change on behalf of investors & supply chain members 2013*, p. 95.

<sup>13</sup> This is based on the requirements of International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) on consolidation and equity accounting and is consistent with how information relating to entities within a group or interest in joint ventures/associates would be included on consolidated financial statements, as further detailed in CDSB *Proposals for Boundary Setting in Mainstream Reports*.

**RT0204-02. Description of long-term and short-term strategy or plan to manage Scope 1 emissions, including emission-reduction targets and an analysis of performance against those targets**

.10 The registrant shall discuss the following where relevant:

- The scope, such as whether strategies, plans, and/or reduction targets pertain differently to different business units, geographies, or emissions sources;
- Whether strategies, plans, and/or reduction targets are related to or associated with an emissions disclosure (reporting) or reduction program (e.g., EU ETS, RGGI, WCI, etc.), including regional, national, international, or sectoral programs; and
- The activities and investments required to achieve the plans, and any risks or limiting factors that might affect achievement of the plans and/or targets.

.11 For emission-reduction targets, the registrant shall disclose:

- The percentage of emissions within the scope of the reduction plan;
- The percentage reduction from the base year;
  - The base year is the first year against which emissions are evaluated towards the achievement of the target.
- Whether the target is absolute or intensity based, and the metric denominator if it is an intensity-based target;
- The timelines for the reduction activity, including the start year, the target year, and the base year. Disclosure shall be limited to activities that were ongoing (active) or reached completion during the fiscal year; and
- The mechanism(s) for achieving the target, such as energy efficiency efforts, energy source diversification, carbon capture and storage, etc.

.12 Where necessary, the registrant shall discuss any circumstances in which the target base year emissions have been, or may be, recalculated retrospectively or where the target base year has been reset.

.13 Disclosure corresponds with:

- CDSB CCRF (2015) REQ-9, "Management actions."
- CDP questionnaire (2015) "CC3. Targets and Initiatives."

# Air Quality

## Description

Apart from GHGs, which have global impacts, other air emissions from container and packaging manufacturing can have significant, localized human health and environmental impacts. As with GHGs, emissions of air pollutants in the Containers & Packaging industry typically stem from the combustion of fuels and the processing of raw materials. Air pollutants include sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>), which can contribute to acid rain and smog. Financial impacts from air emissions will vary depending on the specific location of operations and the prevailing air emissions regulations. Active management of the issue—through technological and process improvements—can mitigate the impacts of increasingly stringent global air quality regulations. Companies can also benefit from operational efficiencies and a lower cost structure over time. Human health impacts and financial consequences of poor air quality management are likely to be exacerbated by the proximity of manufacturing to communities.

## Accounting Metrics

### **RT0204-03. Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>2</sub>, particulate matter (PM), and volatile organic compounds (VOCs)**

- .14 The registrant shall disclose its emissions of air pollutants that are released to the atmosphere as a result of its activities:
- Direct air emissions from stationary or mobile sources that include, but are not limited to, production facilities, office buildings, marine vessels transporting products, and truck fleets.
- .15 The registrant shall disclose emissions released to the atmosphere by emissions type. Substances include:
- Oxides of nitrogen (including NO and NO<sub>2</sub> and excluding N<sub>2</sub>O), reported as NO<sub>x</sub>.
  - Sulfur emissions which include oxides of sulfur and sulfuric acid (including SO<sub>2</sub>, SO<sub>3</sub>, and H<sub>2</sub>SO<sub>4</sub>), reported as SO<sub>x</sub>.
  - Particulate matter (PM), reported as the sum of PM<sub>10</sub> and PM<sub>2.5</sub>, or all particulates less than 10 micrometers in diameter, where:
    - PM<sub>10</sub> is defined as inhalable coarse particles larger than 2.5 microns but smaller than 10 microns and PM<sub>2.5</sub> is defined as fine particulate matter of 2.5 microns or less.
  - Non-methane volatile organic compounds (VOCs), defined as any compound of carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and methane, that participates in atmospheric photochemical reactions, except those designated by the U.S. Environmental Protection Agency (EPA) as having negligible photochemical reactivity.
    - Where regional and national definitions supersede EPA regulations, such as EC Directive 1999/13/EC and Schedule 1 of the Canadian Environmental Protection Act 1999, the registrant may refer to the relevant regulations on VOCs.

- .16 This scope does not include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, which are disclosed in RT0204-01 as Scope 1 GHG emissions.
- .17 Air emissions data shall be consolidated according to the approach with which the registrant consolidates its financial reporting data, which is aligned with the consolidation approach used for RT0204-01.
- .18 The registrant should discuss the calculation methodology for its emission disclosure, such as whether data are from continuous emissions monitoring systems (CEMS), engineering calculations, mass balance calculations, etc.

# Energy Management

## Description

Fuel combustion onsite contributes to the Containers & Packaging industry's direct (Scope 1) GHG emissions. However, electricity purchases from the grid create indirect impacts on the climate through Scope 2 emissions. These firms are highly reliant on energy as an input for value creation, due to their energy-intensive operations. Since electricity consumption can indirectly contribute to climate change and air pollution through combustion of fossil fuels at the utility level, the cost of grid electricity may increase as utilities face higher regulatory compliance costs. With manufacturing and assembly plants located worldwide, the likelihood and impact of climate change regulations will vary depending on the exact location of facilities. The manner in which a company manages its overall energy efficiency and intensity, its reliance on different energy types, and its ability to access alternative sources of energy can influence its profitability and risk profile.

## Accounting Metrics

### **RT0204-04. Total energy consumed, percentage grid electricity, percentage renewable**

- .19 The registrant shall disclose total energy consumption from all sources as an aggregate figure in gigajoules or their multiples.
  - The scope includes energy purchased from sources external to the organization or produced by the organization itself (self-generated).
  - The scope includes only energy consumed by entities owned or controlled by the organization.
  - The scope includes energy from all sources including direct fuel usage, purchased electricity, and heating, cooling, and steam energy.
- .20 In calculating energy consumption from fuels and biofuels, the registrant shall use higher heating values (HHV), also known as gross calorific values (GCV), which are directly measured or taken from the Intergovernmental Panel on Climate Change (IPCC), the U.S. Department of Energy (DOE), or the U.S. Energy Information Administration (EIA).
- .21 The registrant shall disclose purchased grid electricity consumption as a percentage of its total energy consumption.
- .22 The registrant shall disclose renewable energy consumption as a percentage of its total energy consumption.
- .23 The scope of renewable energy includes renewable fuel the registrant consumes and renewable energy the registrant directly produces, purchases through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs), or for which Green-e Energy Certified RECs are paired with grid electricity.
  - For any renewable electricity generated on-site, any RECs must be retained (i.e., not sold) and retired on behalf of the registrant in order for the registrant to claim them as renewable energy.

- For renewable PPAs, the agreement must explicitly include and convey that RECs be retained and retired on behalf of the registrant in order for the registrant to claim them as renewable energy.
- The renewable portion of the electricity grid mix that is outside of the control or influence of the registrant is excluded from disclosure.<sup>14</sup>
- Renewable energy is defined as energy from sources that are capable of being replenished in a short time through ecological cycles, such as geothermal, wind, solar, hydro, and biomass.

.24 For the purposes of this disclosure, the scope of renewable energy from hydro and biomass sources is limited to the following:

- Energy from hydro sources that are certified by the Low Impact Hydropower Institute or that are eligible for a state Renewable Portfolio Standard.
- Energy from biomass sources is limited to materials certified to a third-party standard (e.g., Forest Stewardship Council, Sustainable Forest Initiative, Programme for the Endorsement of Forest Certification, or American Tree Farm System), materials considered “eligible renewables” according to the Green-e Energy National Standard Version 2.5 (2014), and materials that are eligible for a state Renewable Portfolio Standard.

.25 The registrant 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 kWh to gigajoules (for energy data including electricity from solar or wind energy).

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<sup>14</sup> SASB recognizes that RECs reflect the environmental attributes of renewable energy that have been introduced to the grid, and that a premium has been paid by the purchaser of the REC to enable generation of renewable energy beyond any renewable energy already in the grid mix, absent the market for RECs.

# Water Management

## Description

Water is becoming an increasingly scarce resource worldwide due to population growth, rapid urbanization, and climate change. Water scarcity can result in higher supply costs and higher risk of shortages for companies with water-intensive operations. Containers and packaging production is relatively water-intensive. Water is used primarily for cooling, steam generation, and product processing. Furthermore, container and packaging manufacturing can generate process wastewater, which may be contaminated with heavy metals, suspended solids, extreme pH levels, and organic pollutants. Reducing water use and contamination through recycling and other water-management strategies can lead to operational efficiency and lower operating costs, and can minimize the impacts of regulations, water supply shortages, and community-related disruptions of operations.

## Accounting Metrics

### **RT0204-05. (1) Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress and (2) percentage recycled water usage**

- .26 The registrant shall disclose the amount of water (in thousands of cubic meters) that was withdrawn from fresh water sources for use in operations.
- Fresh water may be defined according to the local statutes and regulations where the registrant operates. Where there is no regulatory definition, fresh water shall be considered to be water that has a solids (TDS) concentration of less than 1000 mg/l per the Water Quality Association definition.
  - Water obtained from a water utility can be assumed to meet the definition of fresh water.
- .27 Using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct (publicly available online [here](#)), the registrant shall analyze all of its operations for water risks and identify activities that are in a location with High (40–80%) or Extremely High (>80%) Baseline Water Stress. Water withdrawn in locations with High or Extremely High Baseline Water Stress shall be indicated as a percentage of the total water withdrawn.
- .28 The registrant shall disclose the percentage of its total water usage that was met from recycled water usage during the fiscal year, where:
- Total water usage includes all fresh water withdrawals, non-fresh water withdrawals, and all usage of recycled water (which, if reused multiple times, shall be counted as usage each time it is reused).
  - Recycled water usage includes any volume of water that is recycled and reused, and water reused multiple times shall be counted as recycled each time it is recycled and reused.
  - Recycled water includes water that is reused in closed-loop and open-loop systems.
  - Recycled water includes grey water, water treated prior to reuse, and water not treated prior to reuse.
  - The percentage shall be calculated as the total recycled water usage divided by total water usage.

## **RT0204-06. Number of incidents of non-compliance with water quality permits, standards, and regulations**

- .29 The registrant shall disclose the total number of instances of non-compliance, including violations of a technology-based standard and exceedances of a quality-based standard.
- .30 The scope of disclosure includes incidents governed by federal, state, and local statutory permits and regulations, including, but not limited to, the discharge of a hazardous substance, violation of pretreatment requirements, or total maximum daily load (TMDL) exceedances.
- .31 An incident of non-compliance shall be disclosed regardless of whether it resulted in an enforcement action (e.g., fine, warning letter, etc.).
- .32 Violations, regardless of their measurement methodology or frequency, shall be disclosed. These include:
  - For continuous discharges, limitations, standards, and prohibitions that are generally expressed as maximum daily, weekly average, and monthly averages.
  - For non-continuous discharges, limitations that are generally expressed in terms of frequency, total mass, maximum rate of discharge, and mass or concentration of specified pollutants.

### **Notes**

[Secondary Drinking Water Regulations: Guidance for Nuisance Chemicals](#)

# Waste Management

## Description

Containers and packaging companies face regulatory and operational challenges in managing their process waste, as many of these substances can be harmful to human health and the environment. Container and packaging manufacturing generates wastes subject to regulations within the U.S. and internationally, such as the Resource Conservation and Recovery Act (RCRA), which regulates the generation, transport, treatment, storage, and disposal of hazardous and solid waste. Proper processing and disposal of waste materials are essential to limiting risk of remediation liabilities, fines, and regulations. In addition, companies that are able to reuse process waste as raw materials in production may achieve cost savings and improve profitability.

## Accounting Metrics

### RT0204-07. Amount of total waste from manufacturing, percentage hazardous, percentage recycled

- .33 The amount of total waste from manufacturing shall be calculated in metric tons, where:
- Waste includes both secondary materials, per 40 CFR 241.2, and waste that meets the definition of solid waste, according to 40 CFR 261.2.
- .34 The percentage hazardous shall be calculated as the weight of hazardous waste at the point of generation divided by the total weight of waste material.
- Hazardous waste shall include both hazardous secondary materials defined according to 40 CFR 260.10, and materials that meet the definition of hazardous waste under Subtitle C of the U.S. Environmental Protection Agency's (EPA) Resource Conservation and Recovery Act (RCRA), according to 40 CFR 261.3.
  - Hazardous wastes include those that display the following characteristics: ignitability, corrosivity, reactivity, or toxicity.
- .35 The percentage recycled shall be calculated as the weight (in metric tons) of hazardous waste material that was reused or reclaimed, plus the weight recycled or remanufactured (through treatment or processing) by the registrant, plus the amount sent externally for further recycling, divided by the total weight of hazardous waste material, where:
- A hazardous waste is recycled if it is used, reused, or reclaimed.
  - Reclaimed materials are defined as those processed to recover or regenerate a usable product, consistent with [RCRA hazardous waste regulation](#). Common hazardous waste reclamation activities involve recovery of spent solvents (e.g., recovery of acetone) or metals (e.g., recovery of lead).
  - Reused materials are defined as those recovered products or components of products that are used for the same purpose for which they were conceived.

- Recycled and remanufactured materials are defined as waste materials that have been reprocessed or treated by means of production or manufacturing processes and made into a final product, or made into a component for incorporation into a product.
- Materials sent for further recycling include those materials that are transferred to a third party for the express purpose of reuse, recycling, or refurbishment.
- The scope of recycled and remanufactured products includes primary recycled materials, co-products (outputs of equal value to primary recycled materials), and by-products (outputs of lesser value than primary recycled materials).
- Portions of products and materials that are disposed of in landfills are not considered recycled; only the portions of products that are directly incorporated into new products, co-products, or by-products shall be included in the percentage recycled.
- Materials incinerated, including for energy recovery, are not considered reused or recycled. Energy recovery is defined as the use of combustible waste as a means to generate energy through direct incineration, with or without other waste, but with recovery of the heat.

#### ***Additional References***

For guidance on the “legitimate recycling” of hazardous waste, see 40 CFR 260.43.

# Product Safety

## Description

The quality and safety of containers and packaging is a critical factor for the industry, since many of their products come into contact with consumables including foods, beverages, and pharmaceuticals, and can leach small amounts of chemicals. Similarly, poor quality of packaging can lead to unintended consequences, such as increased food spoilage or tarnished quality of contents, which may result in product recalls and adverse health impacts. Evolving scientific understanding on the health impacts of packaging may lead to a shift in consumer preferences for certain types of packaging, or for manufacturers that can properly address health and safety concerns. Recalls can be a significant expense for companies and can impact future business. Safety concerns that translate into actual health impact can result in significant reputational damage, as well as legal and regulatory penalties.

## Accounting Metrics

### RT0204-08. Number of recalls and total units recalled

.36 The registrant shall disclose the total number of product-safety-related recalls, including those that are voluntary as well as involuntary, where:

- A recall is defined, consistent with the U.S. Consumer Product Safety Commission's [Recall Handbook](#), as any repair, replacement, refund, or notice/warning program intended to protect consumers from products that present a safety risk.
- Involuntary recalls are those required by regulatory agencies, and are issued when a product does not comply with regulatory safety standards or when there is a safety-related defect in a product.
- Voluntary recalls are those initiated by the registrant in order to take products off the market.
- Governmental agencies with regulatory oversight include, but are not limited to, the following:
  - U.S. Food and Drug Administration (FDA)
  - U.S. Department of Agriculture Food and Safety Inspection Service (FSIS)
  - U.S. Centers for Disease Control (CDC)
  - U.S. Consumer Product Safety Commission (CPSC)
  - European Food Safety Authority (EFSA)
  - Canadian Food Inspection Agency (CFIA)

.37 The registrant may choose, in addition to total units recalled, to disclose the percentage of recalls that were (1) voluntarily and (2) involuntarily issued.

#### Note to RT0204-08

.38 The registrant shall discuss notable recalls, such as those that affected a significant number of products, a significant number of units of one product, or those related to serious injury or fatality.

.39 For such recalls, the registrant should provide:

- Description and cause of the recall issue
- The total number of units recalled
- The cost to remedy the issue (in U.S. dollars)
- Whether the recall was voluntary or involuntary
- Corrective actions
- Any other significant outcomes (e.g., legal proceedings, fatalities, etc.)

**RT0204-09. Discussion of process to identify and manage emerging materials and chemicals of concern**

.40 The registrant shall discuss its approach to managing the use of materials, chemicals, and substances that may be of human health and/or environmental concern to consumers, customers (e.g., retailers and commercial buyers), regulators, and/or others (e.g., non-governmental organizations, scientific researchers, etc.).

.41 “Materials, chemicals, and substances” includes individual compounds, classes of chemicals, and categories of chemicals.

.42 At a minimum, the registrant shall discuss how it assesses materials and chemicals for hazard characteristics and risk traits, including the operational processes it employs for these assessments and other actions it takes to manage hazards and risks.

.43 Relevant operational processes may include, but are not limited to, product formulation and design, materials and chemicals procurement, product safety testing, product labeling, and product declarations (e.g., material safety data sheets).

.44 Relevant actions to discuss may include:

- Exclusion of substances (e.g., use of banned substances lists).
- Use of material substitution assessments, tools, and screening methods (e.g., GreenScreen® For Safer Chemicals or CleanGredients® Data Verification).
- Implementation of EN 13428 or ISO 18602, which include criteria on determining the amount and minimization of hazardous constituents and determining the amount of four heavy metals (lead, cadmium, mercury, and hexavalent chromium) in packaging.
- Performance on the [Global Protocol on Packaging Sustainability 2.0](#) metrics for Impact on Human Health (e.g., Toxicity, Cancer, and Non-Cancer).

.45 Emerging materials and chemicals of concern include, but are not limited to:

- Plasticizers such as phthalates and BPA;
- Certain phenols and phenol derivatives such as butylated hydroxytoluene and pentachlorophenol; and
- Preservatives such as formaldehyde.

# Product Lifecycle Management

## Description

Containers and packaging companies face increasing challenges associated with environmental and social impact of their product throughout the lifecycle. Advancements in material use and innovations in packaging design are increasingly driving market share in the industry. Designing for the end-of-life treatment of packaging is an important opportunity for manufacturers to avoid future regulation and negative reputational repercussions. While the lifecycle impact of containers and packaging depends largely on their use and disposal, companies that can effectively mitigate environmental and health impacts during the design phase may gain competitive advantage as environmental concerns rise among the industry's customers and the ultimate consumers.

## Accounting Metrics

### RT0204-10. Percentage of raw materials from (1) recycled content (2) renewable resources

- .46 The registrant shall disclose the percentage of raw materials consumed (by metric tons) that are derived from recycled content.
- .47 Recycled content is defined, consistent with definitions in ISO 14021:1999, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*, as the portion, by mass, of recycled or recovered material in a product or packaging, where only pre-consumer and post-consumer materials shall be considered as recycled content, and where:
- Recycled material is defined as material that has been reprocessed from recovered (or reclaimed) material by means of a manufacturing process and made into a final product or a component for incorporation into a product.
  - Recovered material is defined as material that would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and recovered (or reclaimed) as a material input, in lieu of new primary material, for a recycling or manufacturing process.
  - Pre-consumer material is defined as material that has been diverted from the waste stream during a manufacturing process. Excluded is reutilization of materials such as rework, regrind, or scrap that is generated in a process and is capable of being reclaimed within the same process that generated it.
  - Post-consumer material is defined as material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

- .48 The percentage shall be calculated as the total weight (in metric tons) of raw materials from recycled content divided by the total weight (in metric tons) of all raw materials for products, where:
- The scope of raw materials in the denominator of the percentage calculation includes all inputs that are processed to be sold as a finished good, including recycled raw materials and virgin raw materials.
  - The weight of raw materials should be calculated as the amount of materials in inventory at the beginning of the reporting period, plus any purchase of materials made during the reporting period, less any materials in raw materials inventory on hand at the end of the reporting period.
- .49 The registrant shall disclose the percentage of raw materials consumed (by metric tons) for containers and packaging products derived from renewable resources.
- .50 Renewable resources are defined, consistent with the [Global Protocol on Packaging Sustainability 2.0](#), as those that are composed of biomass from a living source and are replenished at a rate equal to or greater than the rate of depletion, where:
- For use in this standard, renewable resources are limited to those that are from virgin sources and, as such, have not been recycled.
  - Biomass is defined as a material of biological origin, excluding materials embedded in geological formations or transformed to fossilized material and excluding peat. This includes organic material (both living and dead) from above and below ground, such as trees, crops, grasses, tree litter, algae, animals, and waste of biological origin (e.g., manure), consistent with the Global Protocol on Packaging Sustainability 2.0.
- .51 The percentage shall be calculated as the total weight (in metric tons) of raw materials from renewable resources divided by the total weight (in metric tons) of all raw materials for products, where:
- The scope of raw materials in the denominator of the percentage calculation includes all inputs that are processed to be sold as a finished good, including renewable raw materials and non-renewable raw materials.
  - The weight of raw materials should be calculated as the amount of materials in inventory at the beginning of the reporting period, plus any purchase of materials made during the reporting period, less any materials in raw materials inventory on hand at the end of the reporting period.
- .52 For packaging materials that contain both recycled and virgin parts, or which are made from both renewable and nonrenewable resources, the registrant shall classify the portion of the material as recycled or renewable, based on a calculation (or estimate, where appropriate) of the weight of each portion.

## **RT0204-11. Revenue from products that are reusable, recyclable, and/or compostable**

- .53 The registrant shall disclose the amount of revenue (in U.S. dollars) from products that are reusable, recyclable, and/or compostable where:
- “Reusable” is defined as a product or packaging that has been conceived and designed to accomplish, within its lifecycle, a certain number of trips, rotations, or uses for the same purpose for which it was conceived, consistent with definitions in ISO 14021:1999, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*.
  - “Recyclable” is defined a product or packaging that can be diverted from the waste stream through available processes and programs and can be collected, processed, and returned to use in the form of raw materials or products, consistent with definitions in ISO 14021:1999, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*.
  - “Compostable” is defined as that which undergoes degradation by biological processes during composting to yield CO<sub>2</sub>, water, inorganic compounds, and biomass at a rate consistent with other known compostable materials and that leaves no visible, distinguishable, or toxic residue. Compostable plastics are further defined by ASTM Standard D6400, 2004, Standard Specification for Compostable Plastics.
- .54 For products that are reusable, recyclable, and/or compostable, the registrant shall not account for the products’ revenue more than once.

## **RT0204-12. Description of strategies to reduce the environmental impact of packaging throughout its lifecycle**

- .55 The registrant shall discuss its strategies to reduce the environmental impact of packaging throughout its lifecycle, such as reducing packaging weight and volume for a given application or using alternative materials, including those that are recycled, recyclable, compostable, or degradable.
- .56 Relevant disclosure may include, but is not limited to, discussion of the following:
- Implementation of EN 13428 or ISO 18602, which include criteria on minimization of packaging weight and optimization to the amount needed for safety, hygiene, and consumer acceptance of the packed product.
  - Implementation of EN 13430 or ISO 18604, which include criteria for recyclable packaging.
  - Implementation of EN 13432, ISO14855-1:2005, ASTM D6400, or ASTM D6868, which include criteria for packaging recoverable through biodegradation and composting.
  - Implementation of ISO 14021, which includes criteria for renewable and recycled material content claims.

- 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.
- .57 The registrant may choose to discuss its use of Life Cycle Assessment (LCA) analysis in the context of its approach to environmental impact reduction and maximization of product efficiency, including weight reduction and transportation efficiency.
- When discussing improvements to the environmental efficiency of packaging products they should be discusses in terms of LCA functional unit service parameters (i.e., time, extent, and quality of function).

***Additional References***

EPA [Waste Hierarchy](#)

Summary of the [EPA Municipal Solid Waste Program](#)

# Materials Sourcing

## Description

The production of containers and packaging requires large quantities of raw materials, including wood fiber, metals, glass, and plastics. Wood fiber is derived from forests, metals and glass precursors are sourced from mines, and plastics are created largely from petroleum products. The extraction of these resources can result in environmental externalities such as habitat loss and pollution, as well as negative social impacts including labor abuses and adverse community impacts. The industry also faces supply chain challenges, regulatory risk, and reputational damage from the use of tin, a conflict mineral, in some products. Supply disruptions due to environmental or social issues in the supply chain could increase materials costs for containers and packaging companies. Due to increasing consumer concern surrounding these supply chain issues, the industry's customers are increasingly packaging products that mitigate environmental and social impacts. In response, containers and packaging companies are implementing responsible sourcing practices internally and through the use of third-party supplier certification. Certification has been most common for wood fiber and to a lesser extent aluminum substrates, which have garnered particular attention for externalities surrounding their extraction.

## Accounting Metrics

### RT0204-13. Total wood fiber purchased, percentage from certified sources

- .58 The registrant shall disclose the total weight (in metric tons) of wood-fiber-based raw materials purchased during the fiscal year.
- The scope of raw materials includes all inputs that are processed to be sold as a finished good, including recycled raw materials, virgin raw materials, and goods that will be consumed directly in the production process.
- .59 The percentage shall be calculated as the total weight (in metric tons) of its wood-fiber-based raw materials that are certified to a responsible sourcing standard divided by the total weight (in metric tons) of wood-fiber-based raw materials, where responsible sourcing certifications include those promulgated by the following organizations (or the equivalent):
- Forest Stewardship Council (FSC) (i.e., FSC 100% label and FSC Mixed Sources and FSC Recycled labels),
  - Sustainable Forest Initiative (SFI) (i.e., SFI Chain of Custody and SFI Certified Sourcing labels),
  - Programme for the Endorsement of Forest Certification (PEFC) (i.e., PEFC Certified and PEFC Recycled labels).
  - American Tree Farm System (ATFS).
- .60 The registrant may disclose separately the percent of fiber that is certified to each relevant responsible sourcing standard (e.g., FSC, SFI, PEFC, and ATFS) and relevant standards (e.g., FSC 100% label, FSC Mixed

Sources and FSC Recycled labels, SFI Chain of Custody and SFI Certified Sourcing labels, and PEFC Certified and PEFC Recycled labels).

- .61 For products that are certified to multiple schemes, the registrant shall not account for the product's weight more than once.

**RT0204-14. Total aluminum purchased, percentage from certified sources**

- .62 The registrant shall disclose the total weight (in metric tons) of aluminum-based raw materials purchased during the fiscal year.
- The scope of raw materials includes all inputs that are processed to be sold as a finished good, including recycled raw materials, virgin raw materials, and goods that will be consumed directly in the production process.
- .63 The percentage shall be calculated as the total weight (in metric tons) of its aluminum-based raw materials that are certified to a responsible sourcing standard divided by the total weight of aluminum-based raw materials
- .64 Responsible sourcing certification includes that promulgated by the Aluminum Stewardship Initiative (ASI) (i.e., Performance Standard Version 1 and Chain of Custody Standard Draft 2) or certification to an equivalent standard.

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