



**SASB
STANDARDS**

Now part of IFRS Foundation

Electrical & Electronic Equipment

Sustainability Accounting Standard

RESOURCE TRANSFORMATION SECTOR

Sustainable Industry Classification System® (SICS®) RT-EE

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



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.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

Table of Contents

INTRODUCTION..... 4

 Overview of SASB Standards..... 4

 Use of the Standards 5

 Industry Description 5

Sustainability Disclosure Topics & Metrics..... 6

 Energy Management 8

 Hazardous Waste Management 10

 Product Safety 13

 Product Lifecycle Management 15

 Materials Sourcing 18

 Business Ethics 20

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

Electrical and electronic equipment industry entities develop and manufacture a broad range of electric components including power generation equipment, energy transformers, electric motors, switchboards, automation equipment, heating and cooling equipment, lighting and transmission cables. These include non-structural commercial and residential building equipment, such as Heating, Ventilation and Air Conditioning (HVAC) systems, lighting fixtures, security devices, and elevators; electrical power equipment; traditional power generation and transmission equipment; renewable energy equipment; industrial automation controls; measurement instruments; and electrical components used for industrial purposes, such as coils, wires and cables. In a mature and competitive industry, these entities operate globally and typically generate a significant portion of their revenue from outside the country of their domicile.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-EE-150a.1
	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered ¹	Quantitative	Number, Kilogrammes (kg)	RT-EE-150a.2
Product Safety	(1) Number of recalls issued, (2) total units recalled ²	Quantitative	Number	RT-EE-250a.1
	Total amount of monetary losses as a result of legal proceedings associated with product safety ³	Quantitative	Presentation currency	RT-EE-250a.2
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances ⁴	Quantitative	Percentage (%) by revenue	RT-EE-410a.1
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	Percentage (%) by revenue	RT-EE-410a.2
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Presentation currency	RT-EE-410a.3
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1

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¹ Note to **RT-EE-150a.2** – The entity shall discuss its long-term activities to remediate spills that occurred in years prior to the reporting period but for which remediation activities are ongoing.

² Note to **RT-EE-250a.1** – The entity shall discuss notable recalls, such as those that affected a significant number of products or those related to serious injuries or fatalities.

³ Note to **RT-EE-250a.2** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

⁴ Note to **RT-EE-410a.1** – Disclosure shall include a discussion of approach to managing the use of IEC 62474 declarable substances.

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	Discussion and Analysis	n/a	RT-EE-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption ⁵	Quantitative	Presentation currency	RT-EE-510a.2
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations ⁶	Quantitative	Presentation currency	RT-EE-510a.3

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of units produced by product category ⁷	Quantitative	Number	RT-EE-000.A
Number of employees	Quantitative	Number	RT-EE-000.B

⁵ Note to **RT-EE-510a.2** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

⁶ Note to **RT-EE-510a.3** – The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement or non-prosecution agreement) and context (for example, price fixing, patent misuse, or antitrust) of all monetary losses because of legal proceedings.

⁷ Note to **RT-EE-000.A** – Production should be disclosed as number of units produced by product category, where relevant product categories include energy generation, energy delivery, and lighting and indoor climate control electronics.

Energy Management

Topic Summary

Electrical and electronic equipment entities may use significant amounts of energy. Purchased electricity is the largest share of energy expenditure in the industry, followed by purchased fuels. The type of energy used, amount consumed and energy management strategies depend on the type of products manufactured. Including the use of electricity generated on site, grid-sourced electricity and alternative energy, an entity's energy mix may be important in reducing the cost and increasing the reliability of energy supply and, ultimately, affecting the entity's cost structure and exposure to regulatory shifts.

Metrics

RT-EE-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 all are 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 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).

Hazardous Waste Management

Topic Summary

Electrical and electronic equipment manufacturing may generate hazardous waste which includes heavy metals and wastewater treatment sludge. Entities face regulatory and operational challenges in managing waste, since some wastes are subject to regulations governing their transport, treatment, storage and disposal. Waste management strategies include reduced generation, effective treatment and disposal, and recycling and recovery, if possible. Such activities, although requiring initial investment or operating costs, may reduce an entity's long-term cost structure and mitigate the risk of remediation liabilities or regulatory penalties.

Metrics

RT-EE-150a.1. (1) Amount of hazardous waste generated, (2) percentage recycled

- 1 The entity shall disclose (1) the total weight of hazardous waste generated, in metric tonnes.
 - 1.1 Hazardous wastes are defined in accordance with the jurisdictional legal or regulatory frameworks where the waste was generated.
- 2 The entity shall disclose (2) the percentage of hazardous waste recycled, which is calculated as the weight of hazardous waste generated that was recycled, divided by the total weight of hazardous waste generated.
 - 2.1 Hazardous waste that is reused, reclaimed or remanufactured shall be considered within the scope of recycled.
 - 2.2 Recycled, reused, reclaimed and remanufactured hazardous waste is defined in accordance with the jurisdictional legal or regulatory frameworks where the waste was generated.
 - 2.3 Materials incinerated, including for energy recovery, shall not be considered within the scope of recycled.
 - 2.3.1 Energy recovery is defined as the use of combustible waste to generate energy through direct incineration, with or without other waste, but with recovery of the heat.
 - 2.3.2 The entity may separately disclose the percentage of hazardous waste generated that was incinerated.
- 3 The entity may use the United Nations Environmental Programme (UNEP) *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal* for the purposes of defining hazardous waste or recycled hazardous waste for operations located in jurisdictions that lack applicable legal or regulatory definitions.
- 4 The entity shall disclose the frameworks used to define hazardous waste and recycled hazardous waste, and the amounts and percentages defined in accordance with each applicable framework.

RT-EE-150a.2. (1) Number and aggregate quantity of reportable spills, (2) quantity recovered

- 1 The entity shall disclose (1) the total number and quantity (in kilogrammes) of reportable spills, where:
 - 1.1 Reportable spills are defined as any release of a hazardous substance in an amount greater than or equal to the quantity required to be reported to applicable jurisdictional legal or regulatory authorities.
 - 1.1.1 A hazardous substance is defined as a substance or material that an applicable jurisdictional legal or regulatory authority has determined can pose an unreasonable risk to health, safety and property and has been designated as hazardous in accordance with applicable jurisdictional hazardous materials law.
 - 1.1.2 The scope of hazardous substances includes hazardous materials, hazardous wastes, marine pollutants, elevated temperature materials, and materials designated as hazardous by the jurisdictional legal and regulatory frameworks where the materials were generated.
 - 1.1.3 The entity may use definitions of hazardous waste from the United Nations Environment Programme (UNEP) *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal*.
 - 1.2 The number of reportable spills shall include any leaks, emissions, discharges, injections, disposals and abandonment releases over time, counted once at the time identified.
 - 1.3 The aggregate quantity reported shall represent the total quantity of material released to the environment and shall not be reduced by the amount of such hazardous substances that are subsequently recovered, evaporated or otherwise lost.
 - 1.4 The scope of the disclosure includes all spills, across all jurisdictions in which the entity operates.
- 2 The entity shall disclose (2) the quantity of spills recovered, which is calculated as the weight of spilled hazardous substances (in kilogrammes) removed from the environment through short-term release response activities, excluding:
 - 2.1 amounts recovered during longer-term remediation at spill sites; and
 - 2.2 amounts evaporated, burned or dispersed.
- 3 The entity may disclose releases to soil and water separately.
 - 3.1 A release that qualifies as a release to both soil and water may be reported as a single release to water, with the quantity of the release properly apportioned to soil and water.
- 4 The entity may separately report spills that occurred in the past, such as those that resulted from abandoned, legacy or decommissioned operations but that were identified and disclosed during the reporting period.

Note to **RT-EE-150a.2**

- 1 If applicable, the entity shall discuss its activities to remediate spills that occurred in years prior to the reporting period but for which remediation activities are ongoing and long term.
- 2 Relevant activities include land-use controls, site monitoring, site maintenance and continued clean-up.

Product Safety

Topic Summary

The proper and safe functioning of electrical and electronic equipment is important because of the potential risks to customers, including electrical fires. In the event of a product safety incident, entities could be exposed to product liability claims, revenue loss because of damaged reputation, redesign costs, recalls, litigation or fines. Proper safety procedures, tests and protocols for products may reduce the risk of such adverse impacts and strengthen an entity's brand.

Metrics

RT-EE-250a.1. (1) Number of recalls issued, (2) total units recalled

- 1 The entity shall disclose (1) the total number of product recalls it issued during the reporting period and (2) the total number of units recalled.
 - 1.1 A recall is defined as any repair, replacement, refund or notice/warning programme intended to protect consumers from products that present a safety risk.
 - 1.2 The total number of units recalled is defined as the quantity of products recalled during the reporting period.
- 2 The scope of the disclosure includes voluntary recalls initiated by the entity and involuntary recalls mandated by governmental regulatory agencies.
 - 2.1 Involuntary recalls are those requested or mandated by applicable jurisdictional legal or regulatory authorities, and they are issued when a product does not comply with regulatory safety standards or when a safety-related defect in a product is identified.
 - 2.2 Voluntary recalls are those initiated by the entity to remove products from the market to address safety-related concerns.
- 3 The entity shall disclose (2) the total number of units subject to product recalls.
- 4 The entity may separately disclose the percentage of recalls that were (a) voluntary and (b) involuntary.

Note to RT-EE-250a.1

- 1 The entity shall discuss notable recalls, such as those that affected a significant number of products or those related to serious injuries or fatalities.
 - 1.1 A recall may be considered notable if it is mentioned in periodic jurisdictional recall reports.
- 2 For such recalls, the entity may provide:
 - 2.1 a description and cause of the recall issue;

- 2.2 the total number of units recalled;
- 2.3 the cost to remedy the issue;
- 2.4 whether the recall was voluntary or involuntary;
- 2.5 corrective actions; and
- 2.6 any other significant outcomes (for example, legal proceedings or fatalities).

RT-EE-250a.2. Total amount of monetary losses as a result of legal proceedings associated with product safety

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with product safety.
- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, 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 (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, 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 the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to RT-EE-250a.2

- 1 The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement or non-prosecution agreement) and context (for example, inadequate testing or certification) of all monetary losses resulting from legal proceedings.
- 2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, management, processes, products, business partners, training or technology.

Product Lifecycle Management

Topic Summary

Electrical and electronic equipment entities face increasing challenges and opportunities associated with environmental and social externalities that may stem from the use of their products. Regulations are incentivising entities to reduce or eliminate the use of harmful chemicals in their products. To a lesser extent, regulations and customers are encouraging entities to reduce the environmental footprint of their products in the use-phase, primarily in terms of energy intensity. Electrical and electronic equipment entities that develop cost-effective products and energy efficiency solutions may benefit from increased revenue and market share, stronger competitive positioning and enhanced brand value. Similarly, products with reduced chemical safety concerns may provide opportunities for increased market share.

Metrics

RT-EE-410a.1. Percentage of products by revenue that contain IEC 62474 declarable substances

- 1 The entity shall disclose the percentage of products sold during the reporting period that contain the International Electrotechnical Commission's (IEC) 62474 declarable substances.
 - 1.1 A product contains a declarable substance if, according to IEC 62474—*Material Declaration for Products of and for the Electrotechnical Industry*, it contains an amount of the substance above the 'reporting threshold', is within the scope of the 'reporting application' identified, and is within the mandatory 'reporting requirement'.
 - 1.2 The entity shall calculate the percentage as the revenue from products sold that contain a declarable substance(s) divided by total revenue from products sold.
- 2 The scope of disclosure includes all products, including products from an entity not required to declare or otherwise making declarations, according to IEC 62474.

Note to RT-EE-410a.1

- 1 The entity shall discuss how it manages the use of substances listed as declarable substance groups or declarable substances in IEC 62474, including a discussion of specific operational processes during which use of these substances is considered and the actions the entity has taken to manage the use of these substances.
- 2 Relevant management approaches and actions to describe may include:
 - 2.1 Product design criteria for the exclusion of substances (for example, banned substances lists)
 - 2.2 Use of material substitution assessments, materials and parts procurement guidelines, product safety testing, product declarations (for example, material safety data sheets) and product labelling

- 3 If the entity assesses and manages the impact of known or potentially toxic substances with reference to other regulations, industry norms or accepted chemical lists, it may identify those practices, and it shall describe the degree of overlap with IEC 62474.

RT-EE-410a.2. Percentage of eligible products, by revenue, certified to an energy efficiency certification

- 1 The entity shall disclose the percentage of its revenue from eligible products certified to an energy efficiency certification.
 - 1.1 The entity shall calculate the percentage as the revenue from products meeting the requirements for the applicable certification divided by total revenue from products eligible for certification by certification.
 - 1.1.1 Eligible products are those in a product category for which certification exists, which may include: uninterruptible power supply products, heating, cooling and ventilation equipment, and lighting and fans.
- 2 The entity shall disclose the percentage of products by revenue by energy efficiency certification.
 - 2.1 If the entity has products certified to a previous version of an energy efficiency certification, it shall disclose this information, including the version of the standard to which its products are certified, a breakdown of how many products are certified to that version of the standard, and its time lines to achieve certification to the most current version of the standard.
- 3 For each jurisdiction where the entity sells products, the entity shall disclose the applicable certification programme.

RT-EE-410a.3. Revenue from renewable energy-related and energy efficiency-related products

- 1 The entity shall disclose total revenue from renewable energy-related and energy efficiency-related products.
- 2 Renewable energy-related products are defined as products or systems that enable the inclusion of renewable energy into established energy infrastructure.
 - 2.1 Renewable energy is defined as energy derived from sources that are capable of being replenished quickly through ecological cycles, such as geothermal, wind, solar, hydroelectric and biomass (including ethanol, first-generation biofuels and advanced biofuels).
 - 2.2 Examples of products and systems may include turbine controllers, relays, switchgears, solar PV fuses, SCADA systems, interconnection technologies and other balance of plant equipment designed for renewable energy applications.
 - 2.3 The scope of products and systems is limited to those that enable the integration of renewable energy into established energy infrastructure and grids; it excludes revenue from the sale or installation of renewable energy generation hardware such as wind turbines, solar photovoltaic modules and solar thermal electricity generation equipment.

- 3 A product shall be considered to have been designed to increase energy efficiency if documentation shows that the entity has tested, modelled or otherwise established an increase in energy efficiency during the product's use-phase.
- 3.1 Examples of products that increase energy efficiency may include: smart grid technologies and infrastructure (for example, demand response systems, distribution automation, smart inverters or advanced metering equipment); smart home and intelligent building control products; flexible alternating current transmission systems and low-loss transformers.
- 3.1.1 Smart grid is defined as a modernisation of the electricity delivery systems to monitor, protect and automatically optimise the operation of its interconnected elements—from the central and distributed generation through the transmission network and the distribution system, to industrial users and building automation systems, and to energy storage installations and to end-use consumers.
- 3.2 The scope of disclosure includes products that impart an incremental improvement to energy efficiency, insofar as the entity can demonstrate that the improvement is meaningful, such as through alignment with the milestones set forth in Section 5, 'Key Sectors' of the European Commission's Road Map to a Resource Efficient Europe or with EU Directive 2012/27/EU, or through conformance with energy efficiency standards such as the International Electrotechnical Commission's (IEC) IE2 High Efficiency, IE3 Premium Efficiency and IE4 Super Premium Efficiency.
- 3.3 The scope of disclosure excludes products that impart improved resource efficiency in an ancillary, indirect or minimal way (for example, a conventional product that is slightly lighter than the previous generation of the product).

Materials Sourcing

Topic Summary

Electrical and electronic equipment entities are exposed to supply chain risks when critical materials are used in products. Entities in the industry manufacture products using critical materials with few or no available substitutes, many of which are sourced in only a few countries that may be subject to geopolitical uncertainty. Entities in this industry also face competition because of increasing global demand for these materials from other sectors, which may result in price increases and supply risks. Entities that limit the use of critical materials by using alternatives, as well as secure their supply, may mitigate the potential for financial effects stemming from supply disruptions and volatile input prices.

Metrics

RT-EE-440a.1. Description of the management of risks associated with the use of critical materials

- 1 The entity shall describe how it manages the risks associated with the use of critical materials in its products, including physical limits on availability and access, changes in price, and regulatory and reputational risks, in which:
 - 1.1 a critical material is defined as a material both essential in use and subject to the risk of supply restriction; and
 - 1.2 examples of critical materials may include:
 - 1.2.1 antimony, cobalt, fluorspar, gallium, germanium, graphite, indium, magnesium, niobium, tantalum and tungsten;
 - 1.2.2 platinum group metals (platinum, palladium, iridium, rhodium, ruthenium and osmium); and
 - 1.2.3 rare earth elements, which include yttrium, scandium, lanthanum and the lanthanides (cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium and lutetium).
- 2 The entity shall identify the critical materials that present a significant risk to its operations, the type of risks they represent and the strategies the entity uses to mitigate the risks.
 - 2.1 Relevant strategies may include diversification of suppliers, stockpiling of materials, development or procurement of alternative and substitute materials, and investments in recycling technology for critical materials.
- 3 All disclosure shall be sufficient such that it is specific to the risks the entity faces, but that disclosure itself would not compromise the entity's ability to maintain confidential information.

- 3.1 For example, if an entity determines not to identify a specific critical material that presents a significant risk to its operations because of the competitive harm that could result from the disclosure, the entity shall disclose the existence of such risks, the type of risks and the strategies used to mitigate the risks, but the entity is not required to disclose the relevant critical material.

Business Ethics

Topic Summary

Electrical and electronic equipment manufacturers based in jurisdictions with stronger business ethics laws may be vulnerable to regulatory scrutiny of their business ethics because of operations in regions with weaker government enforcement of business ethics laws. Some entities in this industry have been found in violation of corruption laws as well as anti-competitive behaviour. Unethical practices may jeopardise future revenue growth and may result in significant legal costs and a higher reputational risk. As such, strong governance practices can mitigate the risk of violations of business ethics laws and resulting regulatory penalties or brand-value impacts.

Metrics

RT-EE-510a.1. Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour

- 1 The entity shall discuss its management system and due diligence procedures for assessing and managing corruption and bribery risks within the scope of its own operations and those associated with business partners in its value chain.
 - 1.1 Relevant business partners include customers, suppliers, contractors, subcontractors and joint arrangement partners.
- 2 Relevant aspects of a management system include employee awareness programmes, internal mechanisms for reporting and following up on suspected violations and anti-corruption policies.
- 3 The entity may discuss its implementation of the following organisational guidelines:
 - 3.1 Organisation for Economic Co-operation and Development (OECD) anti-corruption guidelines;
 - 3.2 International Chamber of Commerce (ICC) *Rules of Conduct and Recommendations to Combat Extortion and Bribery*;
 - 3.3 Transparency International *Business Principles for Countering Bribery*;
 - 3.4 United Nations Global Compact 10th Principle; and
 - 3.5 World Economic Forum (WEF) Partnering Against Corruption Initiative (PACI).

RT-EE-510a.2. Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with incidents relating to bribery and corruption.

- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, 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 (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, 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 the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to RT-EE-510a.2

- 1 The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement or non-prosecution agreement) and context (for example, bribing an official) of all monetary losses resulting from legal proceedings.
- 2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, management, processes, products, business partners, training or technology.

RT-EE-510a.3. Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with anti-competitive behaviour, such as those related to price fixing, antitrust behaviour (for example, exclusivity contracts), patent misuse, or network effects, as well as bundling services and products to limit competition.
- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, 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, verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, 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 the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to **RT-EE-510a.3**

- 1 The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement or non-prosecution agreement) and context (for example, price fixing, patent misuse or antitrust) of all monetary losses resulting from legal proceedings.
- 2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, management, processes, products, business partners, training or technology.



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