SASB STANDARDS
Now part of IFRS Foundation

Drug Retailers

Sustainability Accounting Standard

HEALTH CARE SECTOR

Sustainable Industry Classification System® (SICS®) HC-DR

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12

IFRS Sustainability

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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.

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INTRODUCTION

Overview of SASB Standards

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

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.

2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.

3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity's performance for a specific disclosure topic.

4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.

5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

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

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

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

Use of the Standards

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

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

Industry Description

Drug Retailers industry entities operate retail pharmacies and distribution centres that supply retail stores. Stores may be entity-owned or franchised. Large entities source drugs and other merchandise through wholesalers and distributors. Consumer sales of prescription and over-the-counter pharmaceutical products generate a majority of the industry's revenue; other goods sold include household goods, personal care products and a limited selection of groceries. Additionally, the pharmacy retailer segment is expanding its health-focused services by offering clinics at various retail locations, which may add to the industry's shifting sustainability landscape.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management in Retail	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	HC-DR-130a.1
Data Security & Privacy	Description of policies and practices to secure customers' personal health data records and other personal data	Discussion and Analysis	n/a	HC-DR-230a.1
	(1) Number of data breaches, (2) percentage involving (a) personal data only and (b) personal health data, (3) number of customers affected in each category, (a) personal data only and (b) personal health data [1]	Quantitative	Number, Percentage (%)	HC-DR-230a.2
	Total amount of monetary losses as a result of legal proceedings associated with data security and privacy [2]	Quantitative	Presentation currency	HC-DR-230a.3
Drug Supply Chain Integrity	Description of efforts to reduce the occurrence of compromised drugs within the supply chain	Discussion and Analysis	n/a	HC-DR-250a.1
	(1) Number of drug recalls issued, (2) total units recalled and (3) percentage for private-label products	Quantitative	Number, Percentage (%)	HC-DR-250a.2
Management of Controlled Substances	Total amount of monetary losses as a result of legal proceedings associated with controlled substances [3]	Quantitative	Presentation currency	HC-DR-260a.2
Patient Health Outcomes	First fill adherence rate [4]	Quantitative	Percentage (%)	HC-DR-260b.1
	Description of policies and practices to prevent prescription dispensing errors	Discussion and Analysis	n/a	HC-DR-260b.2
	Total amount of monetary losses as a result of legal proceedings associated with prescription dispensing errors [5]	Quantitative	Presentation currency	HC-DR-260b.3

[1] Note to **HC-DR-230a.2** – The disclosure shall include a description of corrective actions implemented in response to data breaches.

[2] Note to **HC-DR-230a.3** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

[3] Note to **HC-DR-260a.2** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

[4] Note to **HC-DR-260b.1** – The disclosure shall include a description of strategies used to increase medication adherence.

[5] Note to **HC-DR-260b.3** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of pharmacy locations	Quantitative	Number	HC-DR-000.A
Total area of retail space	Quantitative	Square metres (m^2)	HC-DR-000.B
Number of prescriptions filled, percentage for controlled substances	Quantitative	Number, Percentage (%)	HC-DR-000.C
Number of pharmacists[6]	Quantitative	Number	HC-DR-000.D

[6] Pharmacists are employees who dispense drugs prescribed by physicians and other health practitioners and provide information to patients about medications and their use. Pharmacists may advise physicians and other health practitioners on the selection, dosage, interactions and side effects of medications.

Energy Management in Retail

Topic Summary

Chain drug retailers operate thousands of locations that consume large quantities of energy. Electricity is used primarily for lighting and refrigeration. Many retail locations may operate 24 hours a day, thereby increasing energy demand. Operational energy efficiency and diversification among a range of energy supply sources may mitigate exposure to rising energy costs and limit an entity's indirect greenhouse gas emissions.

Metrics

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

1 The entity shall disclose (1) the total amount of energy it consumed as an aggregate figure, in gigajoules (GJ).

1.1 The scope of energy consumption includes energy from all sources, including energy purchased from external sources and energy produced by the entity itself (self-generated). For example, direct fuel usage, purchased electricity, and heating, cooling and steam energy are all included within the scope of energy consumption.

1.2 The scope of energy consumption includes only energy directly consumed by the entity during the reporting period.

1.3 In calculating energy consumption from fuels and biofuels, the entity shall use higher heating values (HHV), also known as gross calorific values (GCV), which are measured directly or taken from the Intergovernmental Panel on Climate Change (IPCC).

2 The entity shall disclose (2) the percentage of energy it consumed that was supplied from grid electricity.

2.1 The percentage shall be calculated as purchased grid electricity consumption divided by total energy consumption.

3 The entity shall disclose (3) the percentage of energy it consumed that was renewable energy.

3.1 Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass.

3.2 The percentage shall be calculated as renewable energy consumption divided by total energy consumption.

3.3 The scope of renewable energy includes renewable fuel the entity consumed, renewable energy the entity directly produced and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) or Guarantees of Origin (GOs), a Green-e Energy Certified utility or supplier programme, or other green power products that explicitly include RECs or GOs, or for which Green-e Energy Certified RECs are paired with grid electricity.

3.3.1 For any renewable electricity generated on-site, any RECs and GOs shall be retained (not sold) and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.

3.3.2 For renewable PPAs and green power products, the agreement shall explicitly include and convey that RECs and GOs be retained or replaced and retired or cancelled on behalf of the entity for the entity to claim them as renewable energy.

3.3.3 The renewable portion of the electricity grid mix that is outside of the control or influence of the entity is excluded from the scope of renewable energy.

3.4 For the purposes of this disclosure, the scope of renewable energy from biomass sources is limited to materials certified to a third-party standard (for example, Forest Stewardship Council, Sustainable Forest Initiative, Programme for the Endorsement of Forest Certification or American Tree Farm System), materials considered eligible sources of supply according to the *Green-e Framework for Renewable Energy Certification, Version 1.0* (2017) or Green-e regional standards, or materials eligible for an applicable state renewable portfolio standard.

4 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel usage (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

Data Security & Privacy

Topic Summary

Drug Retailers, as distributors of prescription medication and operators of retail health clinics, access and manage protected health information. The legal obligation to safeguard customer information includes the proper handling of sensitive information by staff in pharmacies and clinics, as well as the safe storage of information on physical and electronic media. Cyber attacks may compromise health information stored electronically, along with customers' financial and personal data. Drug retailers that prevent major data breaches, including point-of-sales breaches and cyber attacks, can preserve brand value, reduce contingent liabilities and maintain market share.

Metrics

HC-DR-230a.1. Description of policies and practices to secure customers' personal health data records and other personal data

1 The entity shall describe the nature, scope and implementation of its policies and practices related to securing customer personal health data records and other personal data, with a specific focus on how it manages the collection, use and retention of customers' information.

1.1 Personal data is defined as any information that relates to an identified or identifiable living individual. Various pieces of information, which collected together can lead to the identification of a particular person, also constitute personal data.

1.1.1 The entity may define personal data based on an applicable jurisdictional legal or regulatory definition. In such cases, the entity shall disclose the applicable jurisdictional standard or definition used.

1.2 Personal health data is defined as personal data related to the physical or mental health of an individual, including the provision of health care services, which reveals information about the individual's health status.

1.2.1 The entity may define personal health data based on an applicable jurisdictional legal or regulatory definition. In such cases, the entity shall disclose the applicable jurisdictional standard or definition used.

2 The entity shall describe the information 'lifecycle' (collection, use, retention, processing, disclosure and destruction of information) and how information-handling practices at each stage may affect individuals' privacy.

2.1 With respect to data collection, the entity may discuss the data or types of data it collects without consent of an individual, data that require opt-in consent, and data that requires an opt-out action from the individual.

2.2 With respect to usage of data, the entity may discuss the data or types of data it uses internally and under what circumstance the entity shares, sells, rents or otherwise distributes data or information to third parties.

2.3 With respect to retention, the entity may discuss the data or types of data it retains, the duration of retention, and practices used to ensure that data is stored securely.

3 The entity shall discuss the systems used to ensure compliance with applicable jurisdictional laws or regulations related to the collection, usage, storage and disposal of personal health data and personal data.

4 The entity shall discuss its efforts to ensure compliance in the context of how it implements these three categories of system security:

4.1 administrative safeguards, which are defined as documented, formal policies and procedures to manage the selection and execution of security measures to protect data and manage the conduct of staff in relation to the protection of data;

4.2 physical safeguards, which are defined as the protection of physical computer systems and the buildings holding such systems from natural and environmental hazards and inappropriate intrusion or removal; and

4.3 technical safeguards, which are defined as processes to protect information, authenticate users and control individual access to information.

5 Relevant practices to discuss include internal monitoring practices, technology and security programmes to prevent data breaches, training programmes and protocols for employees who handle personal health data or personal data, and disposal methods for paper and electronic personal health data records.

6 The entity shall disclose if it employs increased security measures to ensure the security of personal health data, including a discussion of those additional measures.

7 The entity should exclude any information that compromises system security or its customers' personal health data or personal data.

HC-DR-230a.2. (1) Number of data breaches, (2) percentage involving (a) personal data only and (b) personal health data, (3) number of customers affected in each category, (a) personal data only and (b) personal health data

1 The entity shall disclose (1) the total number of data breaches identified during the reporting period.

1.1 A data breach is defined as an unauthorised occurrence on, or conducted through, an entity's information systems that jeopardises the confidentiality, integrity or availability of an entity's information systems or any information contained therein.

1.1.1 Information systems are defined as information resources, owned or used by the entity, including physical or virtual infrastructure controlled by such information resources, or components thereof, organised for the collection, processing, maintenance, use, sharing, dissemination or disposition of an entity's information to maintain or support operations.

1.2 The scope of the disclosure excludes occurrences in which an entity has reasonable and supportable belief that the occurrence (i) does not pose a risk of damage to the entity's business performance or prospects and (ii) does not pose a risk of economic or social disadvantage to individuals.

2 The entity shall disclose (2) the percentage of data breaches in which customers' (a) personal data, but not personal health data, was subject to the data breach.

2.1 Personal data is defined as any information that relates to an identified or identifiable living individual. Various pieces of information, which collected together can lead to the identification of a particular person, also constitute personal data.

2.1.1 The entity may define personal data based on an applicable jurisdictional definition. In such cases, the entity shall disclose the applicable jurisdictional standard or definition used.

2.2 Personal health data is defined as personal data related to the physical or mental health of an individual, including the provision of health care services, which reveals information about the individual's health status.

2.2.1 Personal health data is a subset of personal data.

2.2.2 The entity may define personal health data based on an applicable jurisdictional legal or regulatory definition. In such cases, the entity shall disclose the applicable jurisdictional standard or definition used.

2.3 The scope of the disclosure shall include incidents during which encrypted data was acquired with an encryption key that also was acquired, as well as whether a reasonable belief exists that encrypted data could be converted readily to plaintext.

2.3.1 Encryption is defined as the process of transforming plaintext into ciphertext.

3 The entity shall disclose (2) the percentage of data breaches in which customers' (b) personal health data was subject to the data breach.

4 The entity shall disclose (3) the total number of unique customers affected by data breaches in which the customers' (a) personal data, but not personal health data, was subject to the data breach.

5 The entity shall disclose (3) the total number of unique customers affected by data breaches in which the customers' (b) personal health data was subject to the data breach.

6 Accounts that the entity cannot verify as belonging to the same customer shall be disclosed separately.

7 The entity may delay disclosure if a law enforcement agency has determined that notification impedes a criminal investigation and may be delayed until the law enforcement agency determines that such notification does not compromise the investigation.

Note to **HC-DR-230a.2**

1 The entity shall describe any corrective actions taken in response to data breaches, such as changes in operations, management, processes, products, business partners, training or technology.

2 All disclosure shall be sufficient such that it is specific to the risks the entity faces, but disclosure itself would not compromise the entity's ability to maintain data privacy and security.

3 The entity may describe its policy for disclosing data breaches to affected customers in a timely manner.

HC-DR-230a.3. Total amount of monetary losses as a result of legal proceedings associated with data security and privacy

1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with data security and privacy.

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 **HC-DR-230a.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, cyberattack or employee error) 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.

Drug Supply Chain Integrity

Topic Summary

The Drug Retailers industry supply chain is long and complex, consisting of distribution networks between manufacturers and retailers. Ensuring the quality and safety of pharmaceutical and healthcare products is critical to preserving brand value. The industry faces risks associated with counterfeit drugs, and effective supply chain management is essential in mitigating these challenges. Drug Retailers that effectively manage their supply chains may avoid costs related to recalls, and such incidents may present significant risks to customers. The prevalence of store-brand products, which constitute a growing portion of sales, increases the importance of this issue.

Metrics

HC-DR-250a.1. Description of efforts to reduce the occurrence of compromised drugs within the supply chain

1 The entity shall describe any practices or policies implemented to mitigate the introduction of counterfeit or compromised drugs into its supply chain, which may include implementation of or updates to internal controls and updates to operations, management, processes, products, business partners, training or technology.

2 Compromised drugs include counterfeit drugs and other drugs that are recalled or that are of substandard quality because of a health or other safety hazard, mislabelling or improper packaging, potential contamination or poor manufacturing.

2.1 Counterfeit drugs are defined as drugs sold under a product name without proper authorisation. Counterfeiting can apply to both brand name and generic products, where the source identity is mislabelled in a way that suggests it is the authentic, approved product. Counterfeit products may include products that lack the active ingredient, contain an insufficient or excessive quantity of the active ingredient, contain the wrong active ingredient, or have fake packaging.

3 Relevant processes to discuss may include:

3.1 vendor inspection and supply chain audits;

3.2 traceability and bar code systems;

3.3 participation in industry partnerships and initiatives, such as audit sharing programmes;

3.4 implementation of alert systems;

3.5 training programmes for pharmacists and other supply chain employees;

3.6 coordination with law enforcement; and

3.7 customer feedback tools.

4 The entity shall discuss whether its practices to identify compromised drugs in the supply chain differ between its private-label products and national brand products.

5 The entity shall describe its implementation of applicable jurisdictional legal or regulatory requirements across its operations, including any measures implemented to meet requirements for product identification, product tracing, product verification, detection and response, notification and licensing.

HC-DR-250a.2. (1) Number of drug recalls issued, (2) total units recalled and (3) percentage for private-label products

1 The entity shall disclose (1) the total number of product-safety recalls for drugs that the entity retails issued during the reporting period.

1.1 Drugs include pharmaceutical prescription products as well as over-the-counter medications.

1.2 Product-safety recalls are defined as actions taken by an entity to remove a product from the market related to potential or actual adverse health consequences resulting from prescribed product use. This includes recalls conducted on the entity's own initiative, or as requested or mandated by applicable jurisdictional legal or regulatory authorities.

1.3 Recalls are further defined as the removal or correction of a marketed product that applicable jurisdictional legal or regulatory authorities consider to be in violation of the laws they administer and against which the authorities would initiate legal action.

1.3.1 Removal is defined as the physical removal of a product from its point of use to some other location for repair, modification, adjustment, relabelling, destruction or inspection.

1.3.2 Correction is defined as the repair, modification, adjustment, relabelling, destruction or inspection of a product without its physical removal to some other location.

1.4 The scope includes all recalls of drugs for sale by the entity, whether initiated by applicable jurisdictional legal or regulatory authorities or initiated voluntarily by the entity.

1.5 The scope of recalls excludes market withdrawals, which are defined as an entity's removal or correction of a distributed product that involves a minor violation that would not be subject to legal action or that involves no violation (for example, normal stock rotation practices).

2 The entity shall disclose (2) the total number of drug product units available for sale by the entity subject to product-safety recalls.

3 The entity shall disclose (3) the percentage of the total number of units recalled that were for private-label products.

3.1 Private label is defined as a product containing the entity's brand name and label, whether manufactured by a third-party vendor or by the entity's own facilities.

3.2 The percentage shall be calculated as the total number of units recalled that were for private-label products, divided by the total number of drug product units subject to recall.

4 The entity shall discuss notable recalls, such as those that affected a significant number of units of a given product or those related to serious illnesses or fatalities. For such recalls, the entity may provide:

4.1 a description and cause of the recall issue;

4.2 the total number of units recalled;

4.3 the cost to remedy the issue;

4.4 whether the recall was voluntary or at the request or mandate of applicable jurisdictional legal or regulatory authorities;

4.5 corrective actions; and

4.6 any other significant outcomes (for example, legal proceedings or fatalities).

Management of Controlled Substances

Topic Summary

Drug Retailers are distributors and sellers of a wide variety of controlled substances. Within this industry, the high volume of drugs processed and dispensed, along with the extensive retail and distribution networks of larger entities, increase the risk of theft, loss and illegal drug dispensing. These actions may result in adverse social externalities, including public health consequences related to drug abuse and the illicit drug trade. Drug Retailers may participate in jurisdictional drug monitoring programmes to mitigate some of the social issues associated with dispensing controlled substances. Furthermore, regulatory enforcement may result in fines and licence suspensions. Strong internal management of controlled substances may mitigate these risks and protect shareholder value in the long term.

Metrics

HC-DR-260a.2. Total amount of monetary losses as a result of legal proceedings associated with controlled substances

1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with controlled substances.

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 because 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 **HC-DR-260a.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, failure to report theft) 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.

Patient Health Outcomes

Topic Summary

Drug Retailers and pharmacists play an important role in the health care system, since they provide patients with medications and are often the last health care professionals to interact with patients before medications are consumed. Drug Retailers may enhance patient outcomes by improving communication, avoiding dispensing errors and raising patients' drug-adherence rates. Pharmacies may engage and educate patients regarding the importance of adhering to prescriptions, which provides beneficial outcomes for patients as well as for businesses. Entities that effectively manage these interactions while avoiding dispensing errors may better protect shareholder value.

Metrics

HC-DR-260b.1. First fill adherence rate

1 The entity shall disclose its customer first fill adherence rate, expressed as a percentage, which is calculated as:

   1.1 the number of customer prescriptions required by the prescriber to have one or more refills and were refilled by the entity at least once after the initial fill, divided by the total number of customer prescriptions that the entity initially filled and were required by the prescriber to have at least one additional refill, regardless of whether the prescription was refilled.

2 The scope includes prescriptions initially filled in the entity's pharmacies and excludes prescriptions transferred into the entity's pharmacy from another pharmacy and out of the entity's pharmacy after the initial fill.

Note to **HC-DR-260b.1**

1 The entity shall describe the strategies it uses to increase medication adherence in its pharmacies.

   1.1 Medication adherence is defined as the patient's conformance with the health care provider's recommendation with respect to timing, dosage and frequency of medication-taking during the prescribed length of time.

2 Relevant practices to discuss include: programmes to communicate prescription information, directions and reminders for customers; technology and systems used to track prescriptions and place refill orders; refill reminders; research to identify customers most at risk of non-adherence; cultural, language or other engagement training programmes for pharmacists; programmes that provide educational resources to patients; increasing pharmacy staff diversity; and any other active programmes to improve adherence.

3 The entity may disclose performance on other relevant metrics used to measure progress on medication adherence.

   3.1 Where the entity discloses additional metrics related to medication adherence, it shall disclose the method used to calculate each metric.

HC-DR-260b.2. Description of policies and practices to prevent prescription dispensing errors

1 The entity shall describe its policies and practices to prevent prescription dispensing errors in its pharmacies and for any mail order dispensing activities.

1.1 A dispensing error is defined as a discrepancy between the medicine indicated on a prescription and the medicine that the pharmacy delivers to the patient, including the dispensing of a medicine with inferior pharmaceutical or informational quality.

2 Relevant policies and practices to describe may include implementation of quality assurance protocols, bar coding, process automation, data verification systems, employee training and recordkeeping accuracy improvements.

3 The entity also may discuss observed trends or high-risk practices that could lead to dispensing errors, as well as the number of dispensing errors identified.

HC-DR-260b.3. Total amount of monetary losses as a result of legal proceedings associated with prescription dispensing errors

1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with prescription dispensing errors.

1.1 A dispensing error is a discrepancy between a prescription indicated on a prescription and the medicine that the pharmacy delivers to the patient, including the dispensing of a medicine with inferior pharmaceutical or informational quality.

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 because of civil actions (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgement, 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 **HC-DR-260b.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, dispensing the incorrect dose or incorrect medicine) 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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