SASB STANDARDS
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Auto Parts

Sustainability Accounting Standard

TRANSPORTATION SECTOR

Sustainable Industry Classification System® (SICS®) TR-AP

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

Entities in the Auto Parts industry supply motor vehicle parts and accessories to original equipment manufacturers (OEM). Auto parts entities typically specialise in manufacturing and assembling parts or accessories, such as engine exhaust systems, alternative drivetrains, hybrid systems, catalytic converters, aluminium wheels (rims), tyres, rear-view mirrors, and onboard electrical and electronic equipment. Although the larger automotive industry includes several tiers of suppliers that provide parts and raw materials used to assemble motor vehicles, the scope of these Auto Parts industry disclosures includes only Tier 1 suppliers that supply parts directly to OEMs. The scope of the industry excludes captive suppliers, such as engine and stamping facilities, owned and operated by OEMs. It also excludes Tier 2 suppliers, which provide inputs for the Auto Parts industry.

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 (%)	TR-AP-130a.1
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	TR-AP-150a.1
Product Safety	Number of vehicles recalled [1]	Quantitative	Number	TR-AP-250a.1
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency or reduce emissions	Quantitative	Presentation currency	TR-AP-410a.1
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TR-AP-440a.1
Materials Efficiency	Percentage of products sold that are recyclable	Quantitative	Percentage (%)	TR-AP-440b.1
	Percentage of input materials from recycled or remanufactured content [2]	Quantitative	Percentage (%)	TR-AP-440b.2
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations [3]	Quantitative	Presentation currency	TR-AP-520a.1

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of parts produced	Quantitative	Number	TR-AP-000.A
Weight of parts produced	Quantitative	Metric tonnes (t)	TR-AP-000.B
Area of manufacturing plants	Quantitative	Square metres (m^2)	TR-AP-000.C

[1] Note to **TR-AP-250a.1** – The disclosure shall include a discussion of notable recalls, such as those that affected a significant number of vehicles, multiple vehicle models or those related to a serious injuries or fatalities.

[2] Note to **TR-AP-440b.2** – The entity shall describe its initiatives to obtain end-of-life products and parts for remanufacturing, including product take-back programmes.

[3] Note to **TR-AP-520a.1** – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

Energy Management

Topic Summary

Most energy consumed in the automobile manufacturing process occurs in the supply chain. Auto parts manufacturers use electricity and fossil fuels in their production processes, resulting in direct and indirect emissions of greenhouse gases (GHGs). Purchased electricity is a majority of the energy used in the Auto Parts industry. Sustainability initiatives such as incentives for energy efficiency and renewable energy are making alternative sources of energy more cost competitive. Regulators and consumers also are encouraging the industry to reduce GHG emissions. While managing the cost and risks associated with overall energy efficiency, reliance on various types of energy and access to alternative energy sources may become increasingly important.

Metrics

TR-AP-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 outside 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 that are 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 use (including biofuels) and conversion of kilowatt hours (kWh) to GJ (for energy data including electricity from solar or wind energy).

Waste Management

Topic Summary

Manufacturing auto parts involves using significant amounts of materials (including steel, iron, aluminium and plastics, among others). Waste generated by the industry includes machine lubricants and coolants, aqueous and solvent cleaning systems, paint, and scrap metals and plastics. Auto parts manufacturers spend a significant proportion of revenue on the cost of materials. Therefore, entities that manage manufacturing inputs properly by reducing and recycling waste may mitigate price volatility and supply disruption risks. Moreover, auto parts manufacturers may achieve cost savings and improve operational efficiency by increasing the proportion of waste recycled. Equally, auto parts manufacturers whose waste management practices create negative environmental impacts may face increased regulatory oversight. Violating environmental regulations may increase legal expenses as well as capital expenditures for pollution-control facilities and occupational health and safety projects.

Metrics

TR-AP-150a.1. (1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled

1 The entity shall disclose (1) the total weight of waste generated, in metric tonnes, from manufacturing operations.

1.1 Waste is defined as material for which an entity has no further use that is discarded or released to the environment by the entity.

2 The entity shall disclose (2) the percentage of hazardous waste, by weight, generated from manufacturing operations.

2.1 Hazardous wastes are defined in accordance with applicable jurisdictional legal or regulatory frameworks where the waste was generated.

2.2 The percentage shall be calculated as the weight of hazardous waste generated from manufacturing operations, divided by the total weight of waste generated from manufacturing operations.

3 The entity shall disclose (3) the percentage of waste generated, by weight, from manufacturing operations that has been recycled.

3.1 The percentage shall be calculated as the weight of waste generated from manufacturing operations that has been recycled divided by the total weight of waste generated from manufacturing operations.

3.2 Recycled waste (including remanufactured waste) is defined as waste material reprocessed or treated with production or manufacturing processes and made into a final product or a component to be integrated into a product.

3.3 The scope of recycled waste includes reused material.

3.3.1 Reused material is defined as recovered products or components of products used for the same purpose for which they were conceived.

3.4 The scope of recycled waste excludes portions of products and materials discarded in landfills.

3.5 The scope of recycled waste excludes incinerated materials, even if incinerated for energy recovery.

3.5.1 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.

3.6 The scope of recycled material includes primary recycled material, co-products (outputs of equal value to primary recycled materials), by-products (outputs of lesser value to primary recycled materials) and material sent by the entity to an external organisation for further recycling.

4 The entity may use the United Nations Environment 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 waste for operations located in jurisdictions that lack applicable legal or regulatory definitions.

5 The entity may separately disclose the percentage of waste generated, by weight, that was incinerated.

6 The entity shall disclose the frameworks used to define waste, hazardous waste and recycled hazardous waste and the amounts and percentages defined in accordance with each applicable framework.

Product Safety

Topic Summary

Driving is a risky activity, since distracted driving, speeding, drunk driving, dangerous weather conditions and other factors may result in accidents that expose drivers, passengers and bystanders to injuries and deaths. Accidents can also be caused by defective vehicle parts, and an entity's failure to detect defects before vehicles are sold may have significant financial repercussions for both automobile and auto parts manufacturers. Entities improving vehicle safety and responding quickly when defects are identified may mitigate potentially costly regulatory action or customer lawsuits. These efforts may preserve relationships with original equipment manufacturers (OEMs), who often select Tier 1 suppliers based on their safety performance and reliability. As cars integrate more sophisticated electronics and technologies, risks related to recalls may increase. Through effective management of product safety, entities may enhance their brand value and improve sales over the long term.

Metrics

TR-AP-250a.1. Number of vehicles recalled

1 The entity shall disclose (1) the total number of product recalls it issued during the reporting period, including voluntary and involuntary recalls.

1.1 A recall is defined as the removal of alleged, potentially or known defective or hazardous products from the distribution chain and from the possession of consumers.

1.2 Voluntary recalls are those initiated by the entity to remove products from the market for safety-related concerns.

1.3 Involuntary recalls are those requested or mandated by applicable jurisdictional legal or regulatory authorities when (i) a vehicle or item of vehicle-related equipment does not comply with governmental vehicle safety regulations, or (ii) when a safety-related defect in a vehicle or vehicle-related equipment is identified.

2 The entity shall disclose (2) the total number of units subject to product recalls.

3 The entity may separately disclose the percentage of recalls that were (a) voluntary and (b) involuntary.

Note to **TR-AP-250a.1**

1 The entity shall describe notable recalls such as those that affected a significant number of vehicles, vehicle models 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 corrective actions;

2.2 description and cause of the recall issue;

2.3 the total number of units (or vehicles) recalled;

2.4 the cost to remedy the issue;

2.5 whether the recall was voluntary or involuntary; and

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

Design for Fuel Efficiency

Topic Summary

Automobile manufacturers increasingly are demanding motor parts and components that reduce vehicle fuel consumption. Fuel-efficient components and parts are critical in reducing automobile tailpipe emissions through energy efficiency gains and weight reductions, among other factors. Auto parts entities that design and manufacture such parts may increase sales to auto manufacturers that increasingly are facing stricter environmental regulations and customer preferences for more environmentally friendly cars.

Metrics

TR-AP-410a.1. Revenue from products designed to increase fuel efficiency or reduce emissions

1 The entity shall disclose total revenue from products designed to increase fuel efficiency or reduce emissions during their use phase.

1.1 Products designed to increase fuel efficiency or reduce emissions are defined as products the entity has tested, modelled or otherwise shown to improve fuel efficiency or eliminate or lower emissions of greenhouse gases (GHG), nitrogen oxide (NO_x), particulate matter (PM), sulphur oxides (SO_x) and other air pollutants during their use phase.

1.2 The use phase is defined as the course over which the product is used by a customer or consumer as a final product or to generate a final product (for example, in a manufacturing or production process).

1.3 The disclosure scope includes products that provide incremental improvement to fuel efficiency or emission reduction, if the entity can demonstrate the improvement is meaningful, such as through alignment with the milestones set forth in Section 5, 'Key Sectors/Ensuring efficient mobility', of the European Commission's Road Map to a Resource Efficient Europe or with EU Directive 2012/27/EU (Energy Efficiency Directive).

1.4 The scope of disclosure excludes products that offer improved fuel efficiency or reduced emissions in an ancillary or indirect way (for example, a conventional product that is slightly lighter than the previous generation of the product).

2 Examples of products that may increase fuel efficiency or reduce emissions may include those relating to: electrification of auxiliary systems such as oil and water pumps, waste heat recovery, improved aerodynamics, hybrid and advanced fuel technologies, improvements to combustion efficiency, idle reduction, alternative cooling systems, electric power steering, hybrid-enabled braking technologies, low rolling resistance (LRR), new and retread tyre technologies, and engine management systems/products.

3 For products designed to both increase fuel efficiency and reduce emissions, the entity shall account only for the products' revenue once.

Materials Sourcing

Topic Summary

Entities in the Auto Parts industry commonly rely on rare earth metals and other critical materials as important inputs for finished products. Many of these inputs have few substitutes and often are sourced from a few countries, many of which may be subject to geopolitical uncertainty. Other sustainability-related impacts such as climate change, land use, resource scarcity and conflict in regions where the industry's supply chain operates are also increasingly shaping the industry's ability to source materials. Additionally, increased competition for these materials because of growing global demand from other sectors may result in price increases and supply risks. These materials play a crucial role in clean energy technologies, such as electric and hybrid vehicles. As regulators strive to reduce greenhouse gas emissions and consumers demand more fuel-efficient vehicles, the share of hybrids and zero-emission vehicles (ZEVs) produced by the Automobiles industry may continue to increase in the future. Entities that limit the use of critical materials, secure sourcing and develop alternatives may mitigate supply disruptions and volatile input prices, which could adversely affect their margins, risk profile and cost of capital.

Metrics

TR-AP-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 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.

Materials Efficiency

Topic Summary

Millions of vehicles worldwide reach the end of their useful lives every year. At the same time, the rate of vehicle ownership is expanding globally, resulting in more end-of-life vehicles. To reduce vehicle lifecycle impact, auto parts manufacturers may design parts to be more easily recyclable and reusable, and apply modularity principles to product design. They also may sponsor take-back programmes to ensure safe product disposal and reuse. Given input price volatility and resource constraints, entities that manage materials efficiency may improve their long-term operational efficiency and risk profile. In addition, entities may reduce manufacturing costs by using fewer materials or by recycling materials, which may improve their margins.

Metrics

TR-AP-440b.1. Percentage of products sold that are recyclable

1 The entity shall disclose the percentage of products sold, by revenue, that are recyclable.

2 The percentage shall be calculated as the revenue from products sold that are recyclable divided by the total revenue from all products sold.

2.1 Material is recyclable if it can be reprocessed for its original purpose or for other purposes at a reasonable cost with technology widely available in the markets in which the products are sold.

2.1.1 Materials that are typically recyclable include ferrous and non-ferrous metals, glass and specific plastics.

2.2 The scope of recyclable material includes material that is either reusable or able to be remanufactured.

2.2.1 Materials and components that are typically reusable or able to be remanufactured include engines, transmissions, catalysts, tyres (including re-treadable tyres), batteries and chlorofluorocarbons (CFCs).

2.3 The scope of recycled material includes scrap tyres classified as non-hazardous secondary material and collected via established tyre collection programmes.

2.4 The scope of recyclable material excludes recoverable material (except as noted above) and is defined as material that can be salvaged for further use, including for energy recovery.

2.4.1 Energy recovery is defined using combustible waste to generate energy through direct incineration, with or without other waste, but with recovery of the heat.

2.4.2 Materials that are typically discarded as waste or used for energy recovery include fluids, hazardous materials, automobile shredder residue (including glass, foam and fabric), automotive safety glass and specific plastics.

3 The scope of the disclosure is limited to automobile parts, components and materials.

TR-AP-440b.2. Percentage of input materials from recycled or remanufactured content

1 The entity shall disclose the percentage of input materials, by weight, derived from recycled or remanufactured content.

1.1 The scope of input materials includes all inputs processed to be sold as a finished good, which may include recycled, remanufactured and virgin input materials.

2 The percentage shall be calculated as the weight of input materials consumed that were derived from recycled or remanufactured content divided by the total weight of all input materials consumed.

2.1 Recycled content is defined, consistent with definitions in ISO 14021, *Environmental labels and declarations—Self-declared environmental claims (Type II environmental labelling)*, as the proportion, by mass, of recycled or recovered material in a product or packaging, for which only pre-consumer and post-consumer materials shall be considered as recycled content.

2.1.1 Recycled material is defined as material reprocessed from recovered (or reclaimed) material through a manufacturing process and made into a final product or a component to be integrated into a product.

2.1.2 Recovered material is defined as material that would have otherwise been discarded as waste or used for energy recovery, but which has instead been collected and recovered (or reclaimed) as a material input, in lieu of new primary material, for a recycling or manufacturing process.

2.1.3 Pre-consumer material is defined as material diverted from the waste stream during a manufacturing process. This definition excludes materials such as rework, regrind or scrap that are generated in a process and are capable of being reclaimed within the same process in which they were generated.

2.1.4 Post-consumer material is defined as material generated by households or by commercial, industrial and institutional facilities in their role as end-users of a product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

2.2 Remanufactured content is defined as an end-of-life product or component (one that was previously sold, worn or non-functional) that undergoes an industrial process to be returned to original working condition (considered ‘like new’).

2.3 The scope of recycled or remanufactured content excludes virgin input material.

2.3.1 Virgin input material is defined as material that has never been processed into any form of end-use product.

3 The weight of input materials may be calculated using the quantity of materials in inventory at the beginning of the reporting period, plus any purchase of materials made during the reporting period, minus any materials in input materials inventory on hand at the end of the reporting period.

Note to **TR-AP-440b.2**

1 The entity shall describe its initiatives to obtain end-of-life products and parts for remanufacturing, including product take-back programmes.

1.1 Relevant initiatives may include customer and supplier engagement efforts, equipment servicing or exchange programmes and other incentives to encourage end-of-life parts remanufacturing.

Competitive Behaviour

Topic Summary

Competitive business practices are an important governance issue for entities in the Auto Parts industry. Although industry concentration is low, a wide range of auto parts are available, and competition for business within each category of parts may be limited. Therefore, leading producers of any specific auto part may wield substantial market power in specific market segments, creating antitrust concerns. Collusion and price fixing by auto parts manufacturers may ultimately affect consumers through higher vehicle prices. If such activities are discovered, jurisdictions may impose legal or regulatory penalties, and the resulting reputational damage may adversely affect an entity's valuation.

Metrics

TR-AP-520a.1. 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 regulations, 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 **TR-AP-520a.1**

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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