SUSTAINABILITY ACCOUNTING STANDARD | HEALTH CARE SECTOR

HEALTH CARE DISTRIBUTORS

Sustainability Accounting Standard

Sustainable Industry Classificaton System™ (SICS™)# HC0302

Prepared by the
Sustainability Accounting Standards Board®

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HEALTH CARE DISTRIBUTORS

Sustainability Accounting Standard

About SASB

The Sustainability Accounting Standards Board (SASB) provides sustainability accounting standards for use by publicly-listed corporations in the U.S. in disclosing material sustainability issues for the benefit of investors and the public. SASB standards are designed for disclosure in mandatory filings to the Securities and Exchange Commission (SEC), such as the Form 10-K and 20-F. SASB is an independent 501(c)3 non-profit organization and is accredited to set standards by the American National Standards Institute (ANSI).

SASB is developing standards for more than 80 industries in 10 sectors. SASB's standards-setting process includes evidence-based analysis with in-depth industry research and engagement with a broad range of stakeholders. The end result of this process is the creation of a complete, industry-specific accounting standard which accurately reflects the material issues for each industry.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD

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INTRODUCTION

Purpose and Structure

This document contains the SASB Sustainability Accounting Standards (SASB Standards) for Health Care Distributors.

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

SASB's **disclosure guidance** identifies sustainability topics at an industry level and—depending on the specific operating context of a company—may be material to a company within that industry. Each company is ultimately responsible for determining which information is material, and which such company is therefore required to include in its Form 10-K or 20-F and other periodic SEC filings.

SASB's **accounting standards** provide companies with standardized accounting metrics to account for performance on industry-level sustainability topics. When making disclosure on sustainability topics, companies adopting SASB's accounting standards will help to ensure that disclosure is standardized and therefore useful, relevant, comparable and auditable.

Guidance for Disclosure of Material Sustainability Topics in SEC filings

1. Industry-Level Material Sustainability Topics

For the Health Care Distributors Industry, SASB has identified the following material sustainability topics:

- **Product Safety**
- **Counterfeit Drugs**
- **Fuel Efficiency**
- **Product Lifecycle Management**
- **Corruption and Bribery**

NOTE: A description of each topic is provided alongside standard accounting metrics in the rest of this document.

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

Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available".[1]

SASB has attempted to identify those sustainability topics (above) that it believes may be material for all companies within the Health Care Distributors Industry. SASB recognizes, however, that each company is ultimately responsible for determining what is material to it.

Regulation S-K, which sets forth certain disclosure requirements associated with Form 10-K and other SEC filings, requires companies, among other things, to describe in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section of Form 10-K "any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. If the registrant knows of events that will cause a material change in the relationship between costs and revenues (such as known future increases in costs of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed."[2]

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

In determining whether a trend or uncertainty should be disclosed, the SEC has stated that management should use a two-part assessment based on probability and magnitude:

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

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

3. Sustainability Accounting Standard Disclosures in Form 10-K

a. Management's Discussion and Analysis

Companies should consider making disclosure on sustainability topics as a complete set in the MD&A, in a sub-section titled **"Sustainability Accounting Standards Disclosures."**[3]

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[1] TSC Industries v. Northway, Inc., 426 U.S. 438 (1976).

[2] 17 C.F.R. 229.303(Item 3030)(a)(3)(ii).

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

b. Other Relevant Sections of Form 10-K

In addition to the MD&A section, companies should consider disclosing sustainability information in other sections of Form 10-K, as relevant, including:

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

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

- **Legal proceedings**—Item 103 of Regulation S-K requires companies to describe briefly any material pending or contemplated legal proceedings. Instructions to Item 103 provide specific disclosure requirements for administrative or judicial proceedings arising from laws and regulations targeting discharge of materials into the environment or primarily for the purpose of protecting the environment.

- **Risk factors**—Item 503(c) of Regulation S-K requires filing companies to provide a discussion of the most significant factors that make an investment in the registrant speculative or risky, clearly stating the risk and specifying how a particular risk affects the particular filling company.

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

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

Guidance on Accounting of Material Sustainability Topics

For material sustainability topics in the Health Care Distributors Industry, SASB identified the accounting metrics below in **Table 1. Material Sustainability Topics & Accounting Metrics.**

SASB recommends that each company consider using these sustainability accounting metrics when disclosing their performance with respect to each of the sustainability topics it has identified as material.

As appropriate—and consistent with Rule 12b-20[4] —for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy and

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

comparability of the data reported. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following related to the topic:

- the registrant's **strategic approach** to managing performance on material sustainability issues;
- the registrant's **competitive positioning**;
- the **degree of control** the registrant has;
- any **measures the registrant has undertaken** or **plans to undertake** to improve performance; and
- data for registrant's **last three completed fiscal years** (when available).

SASB recommends that registrants use SASB Standards specific to their primary industry as identified in the Sustainability Industry Classification System (SICS™). If a registrant generates significant revenue from multiple industries, SASB recommends that it consider the materiality of the sustainability issues that SASB has identified for those industries and disclose the associated SASB accounting metrics.

Users of the SASB Standards

The SASB Standards are intended for companies that engage in public offerings of securities registered under the Securities Act of 1933 (the Securities Act) and those that issue securities registered under the Securities Exchange Act of 1934 (the Exchange Act)[5], for use in SEC filings, including, without limitation, annual reports on Form 10-K (Form 20-F for foreign issuers), quarterly reports on Form 10-Q, current reports on Form 8-K, and registration statements on Forms S-1 and S-3. Nevertheless, disclosure with respect to the SASB Standards is not required or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

Scope of Disclosure

Unless otherwise specified, SASB recommends:

- That a registrant disclose on sustainability issues and metrics for itself and for entities in which the registrant has a controlling interest and therefore are consolidated for financial reporting purposes (controlling interest is generally defined as ownership of 50% or more of voting shares);[6]
- That for consolidated entities, disclosures be made, and accounting metrics calculated, for the whole entity, regardless of the size of the minority interest; and
- That information from unconsolidated entities not be included in the computation of SASB accounting metrics.

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

[6] See US GAAP consolidation rules (Section 810).

A registrant should disclose, however, information about unconsolidated entities to the extent that such registrant considers the information necessary for investors to understand its performance with respect to sustainability issues (typically this disclosure would be limited to risks and opportunities associated with these entities).

Reporting Format

Normalization

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

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

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

Any operational data provided should:

- Convey contextual information that would not otherwise be apparent from SASB accounting metric
- Be deemed generally useful for users of SASB accounting metrics (e.g., investors) in performing their own calculations and creating their own ratios.

Units of Measure

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

Uncertainty

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

Estimates

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

Timing

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

Limitations

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

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

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

Forward Looking Statements

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

Assurance

In reporting on SASB Standards, it is expected that registrants report with the same level of rigor, accuracy, and responsibility as all other information contained in their SEC filings.

SASB recommends registrants use a higher level of assurance (attestation), such as an Examination Engagement to AT Section 701.

Table 1. Material Sustainability Topics & Accounting Metrics

TOPIC	CODE	ACCOUNTING METRIC
Product Safety	HC0302-01	Description of legal and regulatory fines and settlements associated with product safety. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.
	HC0302-02	Description of efforts to minimize health and safety risks of products sold, including those related to toxicity/chemical safety (e.g., REACH substances of very high concern), high abuse potential (e.g., Schedule II controlled substances), or delivery (e.g., incorrect dispensing, mislabeling, transmission of disease through reuse of vials, etc.).
Counterfeit Drugs	HC0302-03	Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting.
	HC0302-04	Description of due diligence process to qualify suppliers of drug products and medical equipment and devices.
	HC0302-05	Description of process for alerting customers and business partners of potential or known risks associated with counterfeit products.
Fuel Efficiency	HC0302-06	Payload fuel economy = gallons per ton-miles.
	HC0302-07	Description of involvement in efforts to reduce the environmental impact of logistics, including involvement in the EPA SmartWay program.
Product Lifecycle Management	HC0302-08	Description of initiatives to reduce the environmental impact of packaging, such as use of recycled materials, reductions in the amount of packaging material (i.e., dematerialization), packaging for consolidated shipping, and reduction in packaging waste (e.g., recycling and reuse of packaging, etc.).
	HC0302-09	Describe product stewardship initiatives to promote take-back (for reprocessing or recycling) of products at the end of their lifecycle. Amount (by weight) of products accepted for take-back.
Corruption and Bribery	HC0302-10	Description of efforts to minimize conflicts of interest and unethical business practices, including mechanisms to ensure compliance.
	HC0302-11	Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

Product Safety

Description

Health care distributors play an integral role in the delivery of health care products to consumers. The industry therefore has a shared responsibility with manufacturers to ensure safety, labeling, and quality. Health care distributors that limit the incidence of safety or other product claims will be better positioned to protect shareholder value.

Accounting Metrics

HC0302-01. Description of legal and regulatory fines and settlements associated with product safety. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

.01 The registrant shall describe the nature and context of fines and settlements related to the safety of products that it distributes, including civil actions (e.g., civil judgment, settlements, or regulatory penalties) and criminal actions (e.g., criminal judgment, penalties, or restitutions) taken by any entity (government, businesses, or individuals).

.02 In addition to disputes over the safety of the product design and/or manufacturing defects (such as for registrant-branded products or generics), the registrant shall discuss liability lawsuits related to the marketing of products that it distributes insofar as they are relate to safety (e.g., directions-for-use labeling, safety warning labeling, etc.).

.03 The registrant shall disclose the amount of any fine or settlement associated with each incident, not including legal fees.

.04 The registrant shall describe any corrective actions it has implemented as a result of each incident. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

HC0302-02. Description of efforts to minimize health and safety risks of products sold, including those related to toxicity/chemical safety (e.g., REACH substances of very high concern), high abuse potential (e.g., Schedule II controlled substances), or delivery (e.g., incorrect dispensing, mislabeling, transmission of disease through reuse of vials, etc.).

.05 The registrant shall describe all relevant aspects, such as the structure, goals, implementation, and scope, of initiatives aimed at minimizing the health and safety risks of the products it distributes.

.06 Risks may include those related to toxicity of chemicals or materials in the products it distributes, those related to the use of the product (such as high abuse potential or side effects), and those related to delivery of the product to customers (such as ensuring that the correct dosage is dispensed and that the product is appropriately labeled once it is repackaged for the consumer, or that products are not reused on multiple patients when not appropriate).

.07 Relevant initiatives may include labeling, training, education, "right-sizing" of packaged dosages (to minimize unsafe reuse or to minimize the amount of a controlled substance on-site at one time).

Counterfeit Drugs

Description

The World Health Organization estimates that the global market for counterfeit drugs has reached $431 billion, representing one percent of the U.S.'s supply chain, and 10–15 percent of the world's pharmaceuticals market. The issue presents a significant health and safety risk to consumers with an estimated 100,000 annual deaths attributed to substandard or counterfeit drugs worldwide. Health care distributors could face added costs, as the federal government, states, and federal agencies seek to implement pedigree tracking regulations in an effort to prevent counterfeit or mislabeled drugs from entering the pharmaceutical distribution system.

Accounting Metrics

HC0302-03. Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting.

.08 Traceability refers to the ability to track identifying information (e.g., chemical composition, supplier, production date, production location, processing history, etc.) of a product throughout various stages of manufacturing and distribution (such as raw material source, manufacturing, distribution, and retail). For the biotechnology industry, relevant stages include manufacturing, logistics transportation, drug wholesale and distribution, and pharmacy retail.

.09 The registrant shall discuss the type and sophistication of technology it uses to maintain traceability and serialization of its products. This may range from the use of a barcode to the use of radio frequency identification (RFID) tagging.

.10 The registrant may discuss other methods it uses to minimize the risk of counterfeit products entering the supply chain, such as purchasing products directly from the manufacturer.

HC0302-04. Description of due diligence process to qualify suppliers of drug products and medical equipment and devices.

.11 The registrant shall describe its process for identifying, screening, and approving product suppliers.

.12 Where relevant, the registrant should discuss the use of questionnaires, codes of conduct, inspections or audits, or third party certifications for current good manufacturing processes (cGMP) and/or quality management systems (e.g., ISO 9001).

.13 The registrant may briefly describe its screening requirements related to environmental, social, and governance issues.

HC0302-05. Description of process for alerting customers and business partners of potential or known risks associated with counterfeit products.

.14 In addition to providing an overview of its procedures, the registrant shall describe how it communicates potential or known risks with the counterfeit products (such as through maintenance of list of products with a higher risk of being counterfeited), recommended actions for the respective parties to minimize risks of counterfeiting, and mechanisms for product recall.

.15 Business partners include suppliers, wholesalers, retailers, and hospitals, etc.

Fuel Efficiency

Description

The distribution of health care products and supplies requires significant transportation networks. As concern over climate change and dwindling natural resources continues to impact fuel pricing, health care distributors will be exposed to fluctuations in costs. Firms that are able to improve transportation efficiencies are likely to enhance shareholder value.

Accounting Metrics

HC0302-06. Payload fuel economy = gallons per ton-miles.

.16 The registrant shall disclose its aggregate payload fuel economy for its transportation fleet.

.17 The registrant shall calculate payload fuel economy across its delivery fleet, limited to vehicles used for the delivery of products (excluding vehicles used primarily for the transportation of passengers)

.18 The registrant shall disclose payload fuel economy for vehicles it operates (e.g., owns or long-term lease) and specify if all or portion of its logistics operations are outsourced.

.19 Payload fuel economy shall be calculated as: total gallons of fuel consumed / revenue tons-miles (RTM), where revenue ton-miles (RTM) = total weight of paid tonnage transported (payload) * total distance in miles goods were transported

- Payload includes the weight of paid tonnage and excludes the vehicle weight.

.20 The registrant shall aggregate payload fuel economy for types of transportation (e.g., rail, vehicle, ship)

HC0302-07. Description of involvement in efforts to reduce the environmental impact of logistics, including involvement in the EPA SmartWay program.

.21 The registrant shall describe the nature, scope, and implementation of its programs and initiatives to reduce the environmental impact, such as non-renewable energy usage, of its logistics operations.

.22 Relevant efforts to discuss include, but are not limited to, upgrades to fleet (fuel efficiency), usage of alternative fuels, optimized logistics routes, and idling reduction programs.

.23 If the registrant is a participant in the EPA SmartWay program, it should describe its type of participation:

- Shipper partner; Truck Carrier Partner; Logistics Company Partner; Multimodal Carrier Partner; Rail Carrier Partner

NOTES

HC0302-07

Additional references:
Types of EPA SmartWay participants.

Product Lifecycle Management

Description

Health care distributors have a shared responsibility to reduce the environmental impact of the products that they distribute. Specific opportunities to address these impacts exist in product packaging and take-back programs.

Accounting Metrics

HC0302-08. Description of initiatives to reduce the environmental impact of packaging, such as use of recycled materials, reductions in the amount of packaging material (i.e., dematerialization), packaging for consolidated shipping, and reduction in packaging waste (e.g., recycling and reuse of packaging, etc.).

.24 The registrant shall describe policies, initiatives, designs, or vendor requirements related to reducing the environmental impact of packaging of products it distributes. Where, relevant, it shall indicate the degree of control or influence it has over packaging choices for these products (e.g., clarifying if the registrant has responsibility for primary, secondary, and/or tertiary levels, if any, of packaging).

.25 Where the registrant has direct control over packaging choices, relevant efforts to discuss may include dematerialization (i.e., reducing the weight or physical amount of packaging), using recycled content materials, using certified paper products (e.g., through the Forest Stewardship Council), designing packaging with materials that can be readily be recycled or composted (e.g., reducing film and foil components in blister packages in favor of paper products), using packaging strategies that allow for consolidated shipping, or shipping products in reusable containers (e.g., in cold chain applications).

.26 Where the registrant does not have direct control over packaging choices of the products it distributes, it is relevant to discuss vendor requirements which relate to topics listed in .25, above.

.27 The registrant may choose to include quantitative measures of performance with respect to waste reduction strategies, such as percentage reductions in weight, number of times containers are reused before disposal or recycling, or packing to product weight ratios.

HC0302-09. Describe product stewardship initiatives to promote take-back (for reprocessing or recycling) of products at the end of their lifecycle. Amount (by weight) of products accepted for take-back.

.28 The registrant shall describe programs and initiatives it implements, funds, or in which it participates related to product take-back for end-of-life management of products it distributes.

.29 The registrant shall disclose the amount, in tons, of its products that it recovered and which was reused (refurbished), recycled, or donated.

- This figure shall not include products that were accepted for take-back but were ultimately discarded as waste. The registrant may, however, indicate, if it reclaimed any products for which proper safe disposal is necessary (e.g., mercury containing, sharps, expired drug products), and for which the registrant is unable to recycle or reuse.

NOTES

Additional references:
Guidelines for Sustainable Packaging, Version 1.0 – December 2006, Sustainable Packaging Coalition/Green Blue Institute

Corruption and Bribery

Description

Health care distributors are subject to various state, federal, and international laws that pertain to their operations, including the False Claims Act and the U.S. Foreign Corrupt Practices Act. The ability of companies to ensure compliance with relevant regulations is likely to have material implications.

Accounting Metrics

HC0302-10. Description of efforts to minimize conflicts of interest and unethical business practices including mechanisms to ensure compliance.

.30 The registrant shall describe the content (e.g., marketing, interactions with government officials, business competition, and business intelligence) and scope (e.g., type and percentage of staff to which it relates) of any codes of conduct that relates to the corruption, bribery, or other unethical business behavior.

.31 The registrant shall discuss mechanisms to ensure compliance with its code such as education and training (including the degree and frequency) and enforcement (such as inspection, compliance or review committees, and implementing corrective actions when the code is violated).

HC0302-11. Description of legal and regulatory fines and settlements associated with corruption or bribery, including Foreign Corrupt Practices Act and False Claims Act violations. Dollar amount of fines and settlements and a description of corrective actions implemented in response to events.

.32 The registrant shall briefly describe the nature and context of fines and settlements related to corruption, bribery, or other unethical business practices, including civil actions (e.g., civil judgment, settlements, or regulatory penalties) and criminal actions (e.g., criminal judgment, penalties, or restitutions) taken by any entity (government, businesses, or individuals).

.33 Disclosure shall include violations of the False Claims Act (such as those related to pricing) and Foreign Corrupt Practices Act related to its anti-bribery or accounting provisions and enforced by the Department of Justice or Securities and Exchange Commission.

.34 The registrant shall disclose the amount of any fine or settlement associated with each incident, not including legal fees.

.35 The registrant shall describe any corrective actions it has implemented as a result of each incident. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

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