IFRS Sustainability

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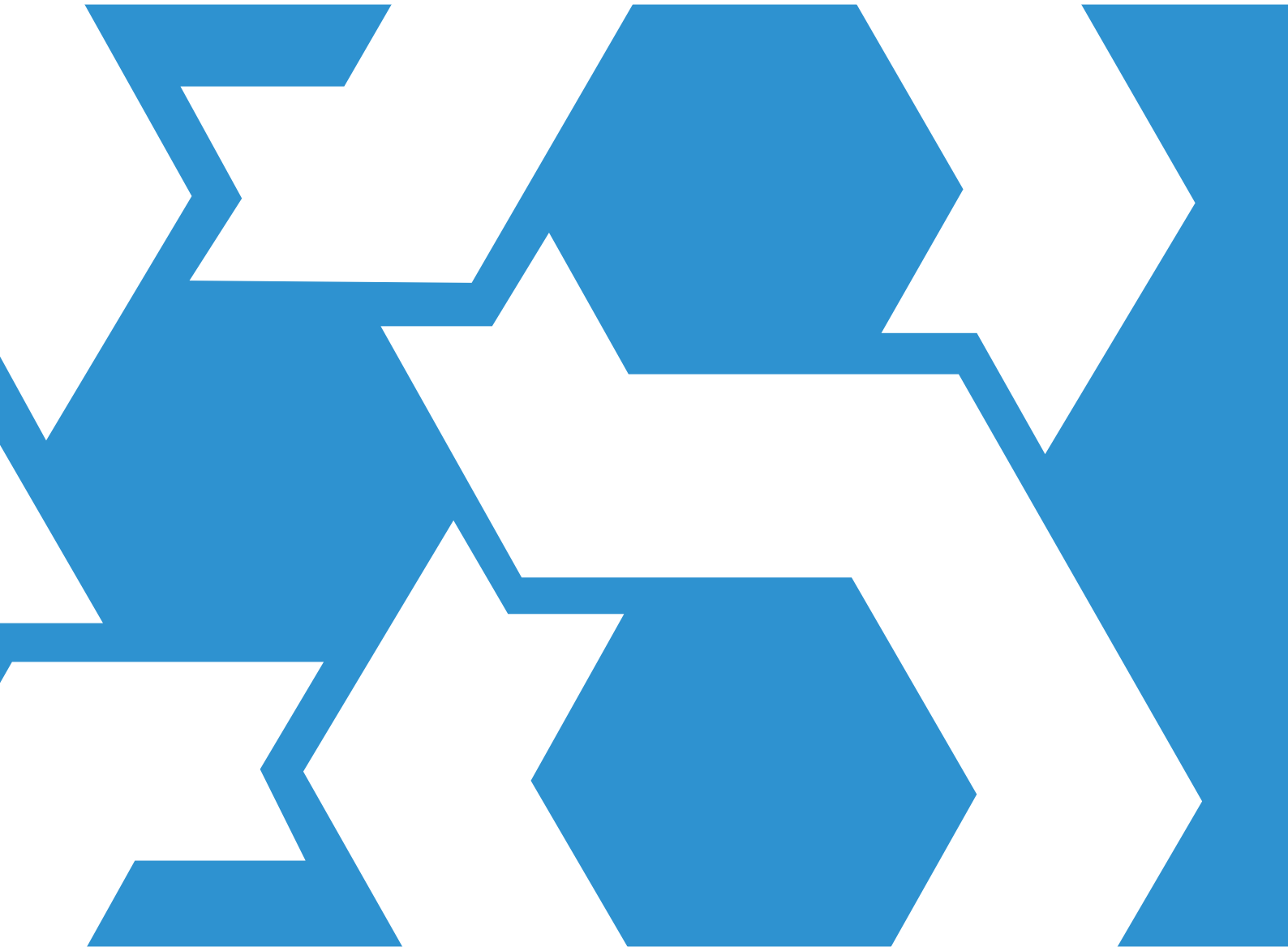
Exposure Draft

IFRS® Sustainability Disclosure Standard

[Draft] IFRS S2 Climate-related Disclosures
Appendix B Industry-based disclosure requirements

Volume B31—Medical Equipment & Supplies

Comments to be received by 29 July 2022



International Sustainability Standards Board

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This industry from Appendix B Industry-based disclosure requirements accompanies the Exposure Draft ED/2022/S2 *Climate-related Disclosures* (published March 2022; see separate booklet). It is published by the International Sustainability Standards Board (ISSB) for comment only. Comments need to be received by 29 July 2022 and should be submitted by email to commentletters@ifrs.org or online at https://www.ifrs.org/projects/open-for-comment/.

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Introduction

This volume is part of Appendix B of [draft] IFRS S2 Climate-related Disclosures *and is an integral part of that [draft] Standard. It has the same authority as the other parts of that [draft] Standard.*

This volume sets out the requirements for identifying, measuring and disclosing information related to an entity's significant climate-related risks and opportunities that are associated with specific business models, economic activities and other common features that characterise participation in this industry.

The industry-based disclosure requirements are derived from SASB Standards (see paragraphs B10–B12 of [Draft] IFRS S2 *Climate-related Disclosures*). Amendments to the SASB Standards, described in paragraph B11, are marked up for ease of reference. New text is underlined and deleted text is struck through. The metric codes used in SASB Standards have also been included, where applicable, for ease of reference. For additional context regarding the industry-based disclosure requirements contained in this volume, including structure and terminology, application and illustrative examples, refer to Appendix B paragraphs B3–B17.

Medical Equipment & Supplies

Industry Description

The Medical Equipment & Supplies industry researches, develops, and produces medical, surgical, dental, ophthalmic, and veterinary instruments and devices. Products are used in settings, including hospitals, clinics, and laboratories, and range from disposable items to highly specialized equipment. The increased prevalence of diseases associated with unhealthy lifestyles and an aging population are important factors that may impact growth in this industry. Emerging markets and the expansion of health insurance in the U.S. will contribute to further growth. However, the extension of government insurance programs, provider and payer consolidation, and regulatory emphasis on reduced costs in all markets may result in downward pricing pressure.

Sustainability Disclosure Topics & Metrics

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	Discussion and Analysis	n/a	HC-MS-410a.1
	Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	Quantitative	Metric tons (t)	HC-MS-410a.2

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of units sold by product category	Quantitative	Number	HC-MS-000.A

Product Design & Lifecycle Management

Topic Summary

Medical equipment and supplies companies face increasing challenges associated with the human and environmental impact of the industry's products. Companies may face consumer and regulatory pressure to limit the use of material inputs that are associated with health concerns, while also addressing issues such as the energy efficiency and end-of-life disposal of specific products. Firms that are able to address these concerns while engaging in efforts to enhance product take-back may be better positioned to meet consumer demand and reduce future liabilities.

Metrics

HC-MS-410a.1. Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products

1 The entity shall describe its strategic approach to addressing specific environmental and human health impacts of its products, including, but not limited to:

1.1 Energy efficiency of products during use

1.2 Disposal of the products

1.3 Material efficiency

1.4 Product packaging

1.5 Toxicity of materials

2 The entity shall only describe design considerations that it can determine will deliver a specific, demonstrable environmental benefit.

2.1 Environmental benefits shall be taken to mean those related to:

2.1.1 Energy consumption

2.1.2 Environmental health

2.1.3 Human health

2.1.4 Waste generation

2.1.5 Water use

3 The entity shall provide an indication of how central the environmental benefit imparted is to functionality of products.

4 The entity shall make its determination in good faith and clarify whether the benefit relates to the product, package, or service, avoiding a general statement of environmental benefits and following guidance from applicable laws and statues~~, including, but not limited to:~~.

~~4.1 U.S. Federal Trade Commission's "Green Guides" (16 C.F.R. Part 260: Guides for the Use of Environmental Marketing Claims).~~

5 The entity shall specify during which lifecycle stage(s) it takes into account the environmental impacts associated with its products.

6 The entity shall reference the mechanism through which it implements efforts, including, but not limited to:

6.1 Use of design protocols

6.2 Procurement policies

6.3 Restricted substances lists (RSLs)

6.4 Certifications

6.5 Product take-back programs

6.6 Packaging take-back

7 For efforts related to the end-of-life of product management, the entity shall discuss only design-related considerations.

8 The entity shall disclose the percentage of products, by revenue, for which it has integrated the aforementioned environmental considerations into the design.

HC-MS-410a.2. Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies

1 The entity shall disclose the amount, in metric tons, of its products that it recovered and reused (refurbished), recycled, or donated.

1.1 This figure shall be broken down into: (1) devices and equipment and (2) supplies.

1.1.1 Devices and equipment include high-value machines and advanced devices.

1.1.2 Supplies include simple supplies and low-cost equipment (e.g., scalpels, gloves, and thermometers).

1.2 This figure shall exclude products that were accepted for take-back but were ultimately discarded as waste.

1.2.1 The entity may indicate if it reclaimed any products it was unable to reuse or recycle because proper, safe disposal was necessary.

2 The entity shall describe programs and initiatives it implements, funds, or participates in that are related to product take-back for end-of-life management of its products.

