



LOG OF AMENDMENTS

ESRS S1

OWN WORKFORCE



DECEMBER 2025



EFRAG

Log of Amendments by Standard – ESRS S1 *Own Workforce*

Annex to the Basis for Conclusions accompanying the draft amended ESRS – Illustration of the Amendments test

Disclaimer: The Log of Amendments by Standard accompanies but is not part of the draft amended ESRS issued by EFRAG on 3 December 2025. It complements and should be read in conjunction with the Basis for Conclusions (BFC), where a summarised description of the main changes to the Standards can be found. It does not reflect the position of the European Union or the European Commission DG Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

Introduction

1. This document complements and should be read in conjunction with the Basis for Conclusions where a summarised description of the main changes to individual Standards can be found.
2. This document illustrates the amendments at paragraph level in draft amended ESRS S1 *Own Workforce*.
3. The starting point is the text of the ESRS as enacted in 2023, with each paragraph listed and numbered in Column 1.
4. A markup of amendments is provided in Column 2 including text added or removed. Text added has been underlined in Column 2. Text deleted is marked as strikethrough (~~strikethrough~~) in Column 2. Where text is unchanged this is also included (no change to text) including where there is no change to the DR.
5. The last column includes a summary of changes made to the DR (or Chapter for ESRS S1) using the following terminology: Deleted, Amended, Unchanged, New or Deleted and Moved.
6. The last column also includes explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

Objective		
ESRS as enacted in 2023	Draft Amended ESRS	Comment/Rationale
	<p><u>1. The sustainability statement shall include information in relation to ESRS S1 Own Workforce if this topic relates to material impacts, risks and opportunities to cover all the reporting areas listed in paragraph 5 of ESRS 1 General Requirements. If not all the sub-topics prescribed by this Standard are to be reported following the materiality assessment, paragraph 30 of ESRS 1 General Requirements applies, except for:</u></p>	<p>[AMENDED] Consolidation of former [1] and reinforcement of ESRS 1 [30]</p>
	<p><u>(a) Disclosure Requirement ('DR') ESRS S1-5, which the undertaking shall apply if it concludes that its own workforce is to be reported following the materiality assessment material; and</u></p>	<p>[NEW] Added clarification that S1-6 remains subject to materiality of information, in response to concerns that the new significant employment threshold may require the reporting of non-material information.</p>
	<p><u>(b) ESRS S1-6, which the undertaking shall apply if it concludes that non-employees in its own workforce are connected to material impacts, risks or opportunities.</u></p> <p><u>The filter of materiality of information defined in ESRS 1 General Requirements, paragraph 23, remains applicable also to these two DRs.</u></p>	<p>[NEW] Added clarification that S1-6 remains subject to materiality of information, in response to concerns that the new significant employment threshold may require the reporting of non-material information.</p>
1. The objective of this Standard is to specify disclosure requirements which will enable users of the sustainability statement to understand the undertaking's material impacts on its own workforce, as well as related material risks and opportunities, including:	<p><u>2. The objective of this Standard is to set out DRs providing information in relation to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 General Requirements and ESRS 2 General Disclosures, specify Disclosure Requirements which will enable users of the sustainability statement to understand the undertaking's material impacts on its own workforce, as well as related material risks and opportunities, including:</u></p>	<p>[AMENDED] Additional clarification provided.</p>

(a) how the undertaking affects its own workforce, in terms of material positive and negative actual or potential impacts;	(a) how the undertaking affects its own workforce, in terms of material positive and negative actual or potential impacts;	[DELETED] In line with simplification and clarification in objective.
(b) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;	(b) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;	[DELETED] In line with simplification and clarification in objective.
(c) the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on its own workforce, and how the undertaking manages them; and	(c) the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on its own workforce, and how the undertaking manages them; and	[DELETED] In line with simplification and clarification in objective.
(d) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on its own workforce.	(d) the financial effects on the undertaking over the short, medium and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on its own workforce.	[DELETED] In line with simplification and clarification in objective.
	<u>3. In this Standard, each DR is introduced by a disclosure objective except for policies, actions and targets, for which the provisions in ESRS 2 GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.</u>	[NEW] Simplification in the architecture whereby objectives are not included in topical Policies, Actions and Targets DRs.
2. In order to meet the objective, this Standard also requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on its own workforce in relation to the following social, including human rights, factors or matters:	<u>5. 2. In order to meet the objective, This Standard also requires an explanation of the general approach the undertaking takes to identify and manage its material actual and potential impacts on its own workforce in relation to the following social, including human rights, factors or matters: sets out DRs related to the undertaking's own workforce, in particular with respect to the following sub-topics:</u>	[AMENDED] Principle unchanged but aligned with changes in ESRS 1 Appendix A

<p>(a) working conditions, including:</p> <ul style="list-style-type: none"> i. secure employment; ii. working time; iii. adequate wages; vii. work-life balance; and 	<p>(a) working conditions, (including: iii. adequate wages, vii. work-life balance, ii. working time, i. secure employment, social protection);</p>	<p>[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A.</p>
<ul style="list-style-type: none"> iv. social dialogue; v. freedom of association, the existence of works councils and the information, consultation and participation rights of workers; vi. collective bargaining, including the rate of the undertaking's workforce covered by collective agreements; 	<p><u>(b) iv. social dialogue, v. freedom of association, the existence of works councils, and the information, consultation and participation rights of workers and vi. collective bargaining including the rate of the undertaking's workforce covered by collective agreements;</u></p>	<p>[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A.</p>
<p>viii. health and safety.</p>	<p><u>(c) viii. health and safety;</u></p>	<p>[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A.</p>
<p>(b) equal treatment and opportunities for all, including:</p> <ul style="list-style-type: none"> i. gender equality and equal pay for work of equal value; ii. training and skills development; iii. employment and inclusion of persons with disabilities; iv. measures against violence and harassment in the workplace; and v. diversity. 	<p><u>(e) (b) diversity and equal treatment and opportunities for all, (including: i. gender equality, and equal pay for work of equal value, ii. training and skills development, iii. employment and inclusion of people persons with disabilities, iv. measures against violence and non-discrimination, anti-harassment in the workplace, and diversity); and</u></p>	<p>[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A.</p>
	<p><u>(d) ii. training and skills development;</u></p>	<p>[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A.</p>

<p>(c) other work-related rights, including those that relate to:</p> <ul style="list-style-type: none"> i. child labour; ii. forced labour; iii. adequate housing; and iv. privacy. 	<p><u>(f) (e) other labour work-related human rights (including those that relate to: i. child labour, ii. forced labour, iv. privacy and iii. adequate housing).</u></p>	<p>[UNCHANGED] Editorial Amendments in line with ESRS 1 Appendix A.</p>
<p>3. This Standard also requires an explanation of how such impacts, as well as the undertaking's dependencies on its own workforce, can create material risks or opportunities for the undertaking. For example, on the matter of equal opportunities, discrimination in hiring and promotion against women can reduce the undertaking's access to qualified labour and harm its reputation. Conversely, policies to increase the representation of women in the workforce and in upper levels of management can have positive effects, such as increasing the pool of qualified labour and improving the undertaking's reputation.</p>	<p>3. This Standard also requires an explanation of how such impacts, as well as the undertaking's dependencies on its own workforce, can create material risks or opportunities for the undertaking. For example, on the matter of equal opportunities, discrimination in hiring and promotion against women can reduce the undertaking's access to qualified labour and harm its reputation. Conversely, policies to increase the representation of women in the workforce and in upper levels of management can have positive effects, such as increasing the pool of qualified labour and improving the undertaking's reputation.</p>	<p>[DELETED] Examples have been kept to a minimum in the standard. Simplification exercise.</p>
<p>4. This Standard covers an undertaking's own workforce, which is understood to include both people who are in an employment relationship with the undertaking ("employees") and non-employees who are either people with contracts with the undertaking to supply labour ("self employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78). See Application Requirement 3 for examples of who falls under own workforce. The information required to be disclosed with regard to non-employees shall not affect their status pursuant to applicable labour law.</p>	<p>6. 4. This Standard covers an <u>The</u> undertaking's own workforce, which is understood to include both (i) people who are in an employment relationship with the undertaking ('employees') and non employees who are either (ii) people who, for the purposes of reporting under ESRS, are called 'non-employees' in the undertaking's own workforce. <u>The latter comprise</u> people with contracts with the <u>reporting</u> undertaking to supply labour ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78). See Application Requirement 3 for examples of who falls under own workforce. The information required to be disclosed with regard to non-employees shall not affect their status pursuant to applicable labour law. Information about the persons referred to as 'non-employees' in the undertaking's own workforce in accordance with this Standard shall not affect their status under applicable labour law. This Standard does not cover workers in the undertaking's upstream or downstream value chain. These workers are covered in ESRS S2 Workers in the Value Chain.</p>	<p>[AMENDED, MOVED] Edits made to provide further clarity based on feedback from public consultation. Text also moved from former [5]</p>

	<p><u>7. The definitions of self-employed people and of people provided by undertakings primarily engaged in 'employment activities' are based on national legislation. Examples of non-employees in the undertaking's own workforce that could fall within the scope of own workforce are:</u></p>	[AMENDED, MOVED]
	<p><u>(a) self-employed persons in the undertaking's own workforce, which could include:</u></p> <p><u>i. self-employed persons hired by the undertaking to perform work that would otherwise be carried out by an employee or in a public area (e.g. on the street);</u></p> <p><u>ii. self-employed persons hired by the undertaking to deliver work-or a service directly at the workplace of a client of the undertaking; and</u></p>	Moved from former [AR 62] into the objective given feedback from outreach and public consultation that requested more examples and further clarity.
	<p><u>(b) people employed by a third party engaged in 'employment activities', which could include people who perform the same work that employees carry out, such as those who fill in for employees who are temporarily absent or who may be dispatched temporarily from another EU Member State to work for the undertaking ('posted workers').</u></p>	
5. This Standard does not cover workers in the undertaking's upstream or downstream value chain; these categories of workers are covered in ESRS S2 Workers in the value chain.	<p><u>5. This Standard does not cover workers in the undertaking's upstream or downstream value chain; these categories of workers are covered in ESRS S2 Workers in the value chain.</u></p>	[MOVED] Moved to new [6]
6. The Standard requires undertakings to describe their own workforce, including key characteristics of the employees and non-employees that are part of it. This description provides users with an understanding of the structure of the undertaking's own workforce and helps to contextualise information provided through other disclosures.	<p><u>6. The Standard requires undertakings to describe their own workforce, including key characteristics of the employees and non-employees that are part of it. This description provides users with an understanding of the structure of the undertaking's own workforce and helps to contextualise information provided through other disclosures.</u></p>	[DELETED]
7. The objective of the Standard is also to enable users to understand the extent to which the undertaking aligns or complies with international and European human rights instruments and conventions, including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, the International Labour Organization's	<p><u>4. 7. The objective of the this Standard is also to enable users to an understanding of the extent to which the undertaking aligns or complies with international and European human rights instruments and conventions, including the International Bill of Human Rights,; the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises,; the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and ILO fundamental conventions,; the UN Convention on Persons</u></p>	[UNCHANGED]

<p>Declaration on Fundamental Principles and Rights at Work and ILO fundamental conventions, the UN Convention on Persons with Disabilities, the European Convention of Human Rights, the revised European Social Charter, the Charter of Fundamental Rights of the European Union, the EU policy priorities as set out by the European Pillar of Social Rights, and Union legislation, including the EU labour law acquis.</p>	<p>with Disabilities; the European Convention of Human Rights; the revised European Social Charter; the Charter of Fundamental Rights of the European Union (EU); the EU policy priorities as set out by the European Pillar of Social Rights; and Union EU legislation, including the EU labour law acquis.</p>	
Interactions with other topical ESRS		
<p>ESRS as enacted in 2023</p> <p>8. This Standard shall be read in conjunction with ESRS 1 General principles and ESRS 2 General requirements.</p>	<p>8. This Standard shall be read in conjunction with ESRS 1 General principles and ESRS 2 General requirements.</p>	<p>[DELETED] This has been consolidated in [3] above</p>
<p>9. This Standard shall be read in conjunction with ESRS S2 Workers in the value chain, ESRS S3 Affected communities and ESRS S4 Consumers and end-users.</p>	<p>9. This Standard shall be read in conjunction with ESRS S2 Workers in the value chain, ESRS S3 Affected communities and ESRS S4 Consumers and end-users. 8. Social and environmental topics interact with each other. The points of interaction between ESRS S1 Own Workforce and the other topical standards are the following</p>	<p>[AMENDED] Amended text for clarity and aligned with other topical standards in line with input from the public consultation and outreach events.</p>
	<p><u>(a) all the social standards, i.e. ESRS S1 Own Workforce, ESRS S2 Workers in the Value Chain, ESRS S3 Affected Communities and ESRS S4 Consumers and End-users, are aligned in terms of content and structure and are related to each other. ESRS S2 Workers in the Value Chain covers the same sub-topics as ESRS S1 Own Workforce for those workers in the upstream and downstream value chain who are not in the undertaking's own workforce. The disclosures in the social standards address material information needed for reporting on impacts on people, risks and opportunities related to each stakeholder group, including in relation to sustainability due diligence;</u></p>	<p>[AMENDED] Amended text for clarity and aligned with other topical standards in line with input from the public consultation and outreach events.</p>

	<p><u>(b) this Standard interacts with ESRS E1 Climate Change to the extent that the transition to a low-carbon and climate-resilient economy is a source of impacts, risks and opportunities for ESRS S1 Own Workforce; and</u></p>	[NEW] New paragraphs added for interactions with Environmental standards in line with input from the public consultation and outreach events
	<p><u>(c) this Standard interacts with ESRS E2 Pollution to the extent that pollution can cause material negative impacts with regard to health and safety in the workplace.</u></p>	[NEW] New paragraphs added for interactions with Environmental standards in line with input from the public consultation and outreach events
10. The reporting under this Standard shall be consistent, coherent and where relevant clearly linked with reporting on the undertaking's own workforce under ESRS S2, in order to ensure effective reporting.	10. The reporting under this Standard shall be consistent, coherent and where relevant clearly linked with reporting on the undertaking's own workforce under ESRS S2, in order to ensure effective reporting.	[DELETED] Based on EFRAG decision to simplify.
Disclosure Requirements – ESRS 2 General Disclosures		
ESRS as enacted in 2023	Draft Amended ESRS	Comment/Rationale
11. The requirements of this section should be read in conjunction with the disclosures required by ESRS 2 on Strategy (SBM). The resulting disclosures shall be presented alongside the disclosures required by ESRS 2, except for ESRS 2 SBM-3, for which the undertaking has an option to present the disclosures alongside the topical disclosure.	11. The requirements of this section should be read in conjunction with the disclosures required by ESRS 2 on Strategy (SBM). The resulting disclosures shall be presented alongside the disclosures required by ESRS 2, except for ESRS 2 SBM-3, for which the undertaking has an option to present the disclosures alongside the topical disclosure.	[AMENDED] Revised architecture whereby no ESRS 2 specifications for SBM in the topical standards based on input from information gathering. This provision is now in [3]
Strategy		
Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	

12. When responding to ESRS 2 SBM-2, the undertaking shall disclose how the interests, views, and rights of people in its own workforce, including respect for their human rights, inform its strategy and business model. The undertaking's own workforce is a key group of affected stakeholders .	12. When responding to ESRS 2 SBM-2, the undertaking shall disclose how the interests, views, and rights of people in its own workforce, including respect for their human rights, inform its strategy and business model. The undertaking's own workforce is a key group of affected stakeholders .	[DELETED] Revised architecture whereby no ESRS 2 specifications for SBM in the topical standards based on input from information gathering.
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
13. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose:	13. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose:	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(a) whether and how actual and potential impacts on its own workforce as identified in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities: (i) originate from or are connected to the undertaking's strategy and business models , and (ii) inform and contribute to adapting the undertaking's strategy and business model; and	(a) whether and how actual and potential impacts on its own workforce as identified in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities: (i) originate from or are connected to the undertaking's strategy and business models , and (ii) inform and contribute to adapting the undertaking's strategy and business model; and	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(b) the relationship between its material risks and opportunities arising from impacts and dependencies on own workforce and its strategy and business model.	(b) the relationship between its material risks and opportunities arising from impacts and dependencies on own workforce and its strategy and business model.	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
14. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the	14. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its	[DELETED]

undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information:	disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information:	Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(a) a brief description of the types of employees and non-employees in its own workforce subject to material impacts by its operations, and specify whether they are employees, self-employed people, or people provided by third party undertakings primarily engaged in employment activities;	(a) a brief description of the types of employees and non-employees in its own workforce subject to material impacts by its operations, and specify whether they are employees, self-employed people, or people provided by third party undertakings primarily engaged in employment activities;	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking operates (for example, child labour or forced labour or compulsory labour in specific countries or regions outside the EU), or (ii) related to individual incidents (for example, an industrial accident or an oil spill);	(b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking operates (for example, child labour or forced labour or compulsory labour in specific countries or regions outside the EU), or (ii) related to individual incidents (for example, an industrial accident or an oil spill);	[DELETED] Deletion of specifications
(c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts, the types of employees and non-employees in its own workforce that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions;	(c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts, the types of employees and non-employees in its own workforce that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions;	[DELETED] Revised architecture whereby no ESRS 2 specifications for SBM in the topical standards based on input from information gathering.
(d) any material risks and opportunities for the undertaking arising from impacts and dependencies on its own workforce;	(d) any material risks and opportunities for the undertaking arising from impacts and dependencies on its own workforce;	[DELETED] Revised architecture whereby no ESRS 2 specifications for SBM in the topical standards based on input from information gathering.

<p>(e) any material impacts on its own workforce that may arise from transition plans for reducing negative impacts on the environment and achieving greener and climate- neutral operations, including information on the impacts on own workforce caused by the undertaking's plans and actions to reduce carbon emissions in line with international agreements. Impacts, risks and opportunities include restructuring and employment loss as well as opportunities arising from job creation and reskilling or upskilling;</p>	<p>(e) any material impacts on its own workforce that may arise from transition plans for reducing negative impacts on the environment and achieving greener and climate- neutral operations, including information on the impacts on own workforce caused by the undertaking's plans and actions to reduce carbon emissions in line with international agreements. Impacts, risks and opportunities include restructuring and employment loss as well as opportunities arising from job creation and reskilling or upskilling;</p>	<p>[MOVED] A simplified text has been moved to AR 5.</p>
<p>(f) operations at significant risk of incidents of forced labour or compulsory labour (94) either in terms of: i. type of operation (such as manufacturing plant); or ii. countries or geographic areas with operations considered at risk;</p>	<p>(f) operations at significant risk of incidents of forced labour or compulsory labour (94) either in terms of: i. type of operation (such as manufacturing plant); or ii. countries or geographic areas with operations considered at risk;</p>	<p>[MOVED] Moved to ESRS 2 SBM-3 This is an EU SFDR PAI.</p>
<p>(g) operations at significant risk of incidents of child labour (95) either in terms of: i. type of operation (such as manufacturing plant); or ii. countries or geographic areas with operations considered at risk.</p>	<p>(g) operations at significant risk of incidents of child labour (95) either in terms of: i. type of operation (such as manufacturing plant); or ii. countries or geographic areas with operations considered at risk.</p>	<p>[MOVED] Moved to ESRS 2 SBM-3 This is an EU SFDR PAI.</p>
<p>15. In describing the main types of people in its own workforce who are or could be negatively affected, based on the materiality assessment set out in ESRS 2 IRO 1, the undertaking shall disclose whether and how it has developed an understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm.</p>	<p>15. In describing the main types of people in its own workforce who are or could be negatively affected, based on the materiality assessment set out in ESRS 2 IRO 1, the undertaking shall disclose whether and how it has developed an understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm.</p>	<p>[DELETED] A reduction based on the revised objective based on EFRAG decision.</p>
<p>16. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on people in its own workforce relate to specific groups of people (for example, particular age groups, or people working in a particular factory or country) rather than to all of its own workforce (for example, a general pay cut, or training offered to all people in its own workforce).</p>	<p>16. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on people in its own workforce relate to specific groups of people (for example, particular age groups, or people working in a particular factory or country) rather than to all of its own workforce (for example, a general pay cut, or training offered to all people in its own workforce).</p>	<p>[DELETED] A reduction based on the objective revisions based on EFRAG decision.</p>

<i>Impacts, risks and opportunities management</i>		
<i>Disclosure Requirement S1-1 – Policies related to own workforce</i>	<i>Disclosure Requirement S1-1 – Policies related to own workforce</i>	<i>Comment/Rationale</i>
ESRS as enacted in 2023	Draft Amended ESRS	
17. The undertaking shall describe its policies adopted to manage its material impacts on its own workforce, as well as associated material risks and opportunities.	17. The undertaking shall describe its policies adopted to manage its material impacts on its own workforce, as well as associated material risks and opportunities.	[AMENDED] Moved to new [9] as part of editorial and simplification edits.
18. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on the undertaking's own workforce specifically, as well as policies that cover material impacts, risks and opportunities related to its own workforce.	18. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on the undertaking's own workforce specifically, as well as policies that cover material impacts, risks and opportunities related to its own workforce.	[DELETED] Deleted in accordance with the decision by EFRAG to eliminate 'Objectives' paragraphs from topical PAT disclosures requirements. This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.
19. The disclosure required by paragraph 17 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to its own workforce in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such policies cover specific groups within its own workforce or all of its own workforce.	9. 19. The disclosure required by paragraph 17 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to its own workforce in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such policies cover specific groups within its own workforce (for example, employees working in a particular factory or geography or self-employed people) or all of its own workforce.	[UNCHANGED] Editorial changes for clarification as part of the architectural decisions made by EFRAG. Elements moved from former [17].
20. The undertaking shall describe its human rights policy commitments (89) that are relevant to its own workforce,	20. The undertaking shall describe its human rights policy commitments (89) that are relevant to its own workforce, including those processes and	[MOVED]

<p>including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises (90). In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach to:</p>	<p>mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises (90). In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach to:</p>	<p>Moved to ESRS 2 [GDR-P], Merged with #11 Table 1, where disclosures regarding human rights policy commitments are pooled for all four social stakeholder groups based on input from information gathering.</p> <p>This point supports alignment with SFDR and Benchmark regulation.</p>
<p>(a) respect for the human rights, including labour rights, of people in its own workforce;</p>	<p>(a) respect for the human rights, including labour rights, of people in its own workforce;</p>	<p>[DELETED]</p> <p>This datapoint was deleted as it refers to former [20] which was moved to ESRS 2.</p>
<p>(b) engagement with people in its own workforce; and</p>	<p>(b) engagement with people in its own workforce; and</p>	<p>[DELETED]</p> <p>This datapoint was deleted as it refers to former [20] which was moved to ESRS 2.</p> <p>In addition, this datapoint overlaps with disclosure under S1-2 on processes for engaging with own workforce about impacts and S1-3 concerning actions.</p>
<p>(c) measures to provide and/or enable remedy for human rights impacts.</p>	<p>(c) measures to provide and/or enable remedy for human rights impacts.</p>	<p>[DELETED]</p> <p>This datapoint was deleted as it refers to former [20] which was moved to ESRS 2.</p>

		In addition, this datapoint overlaps with disclosure under S1-2 on processes for engaging with own workforce about impacts and approaches to remedy.
21. The undertaking shall disclose whether and how its policies with regard to its own workforce are aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights (91).	21. The undertaking shall disclose whether and how its policies with regard to its own workforce are aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights (91).	<p>[[MOVED]]</p> <p>Moved to ESRS 2 [GDR-P] [43] where disclosures regarding human rights policy commitments are pooled for all four social stakeholder groups based on input from information gathering.</p> <p>This point supports alignment with EU Benchmark and EU SFDR legislation.</p>
22. The undertaking shall state whether its policies in relation to its own workforce explicitly address trafficking in human beings (92), forced labour or compulsory labour and child labour	10. 22. The undertaking shall state whether its policies in relation to its own workforce explicitly address trafficking in human beings¹, forced labour or compulsory labour, and child labour.	[UNCHANGED]
23. The undertaking shall state whether it has a workplace accident prevention policy or management system	23. The undertaking shall state whether it has a workplace accident prevention policy or management system	<p>[DELETED]</p> <p>Coverage of workforce by the company's health and safety management system is a metric in S1-13. The separate policies disclosure was deleted in accordance with mandate to prioritise quantitative metrics.</p>

24. The undertaking shall disclose:	24. The undertaking shall disclose:	[DELETED]
(a) whether it has specific policies aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion;	(a) whether it has specific policies aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion;	Based on EFRAG decision to reduce granularity of narrative datapoints
(b) whether the following grounds for discrimination are specifically covered in the policy: racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by Union regulation and national law;	(b) whether the following grounds for discrimination are specifically covered in the policy: racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by Union regulation and national law;	
(c) whether the undertaking has specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce and, if so, what these commitments are; and	(c) whether the undertaking has specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce and, if so, what these commitments are; and	
(d) whether and how these policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion in general.	(d) whether and how these policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion in general.	
<i>Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts</i>	<i>Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts- Engagement with own workforce and workers' representatives, existence of channels for own workers to raise concerns or needs and approaches to remedy</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
		[AMENDED]
		Overall approach:

		Consolidation of two DRs under a single DR in light of the connection between the three points on engagement, channels to raise concerns and remedy. Deletion of a number of datapoints and clear delimitation of the scope of existing datapoints as per input from public input survey. General approach to remedy moved after "channels to raise concerns" for better alignment with the sequencing of UNGPs or OECD MNE.
25. The undertaking shall disclose its general processes for engaging with people in its own workforce and workers' representatives about actual and potential impacts on its own workforce.	25. The undertaking shall disclose its general processes for engaging with people in its own workforce and workers' representatives about actual and potential impacts on its own workforce.	[DELETED] Deleted based on EFRAG decision to delete introductory paragraphs.
26. The objective of this Disclosure Requirement is to enable an understanding of how the undertaking engages, as part of its ongoing due diligence process, with people in its own workforce and workers' representatives about material, actual and potential, positive and/or negative impacts that do or are likely to affect them, and whether and how perspectives of its own workforces are taken into account in the decision-making processes of the undertaking	11. 26. The objective of this Disclosure Requirement DR is to enable an understanding of how the undertaking's general approach to engagement with its own workforce, including the availability of channels to raise concerns or needs such as grievance mechanisms, and its approach to remedy engages, as part of its ongoing due diligence process, with people in its own workforce and workers' representatives about material, actual and potential, positive and/or negative impacts that do or are likely to affect them, and whether and how perspectives of its own workforces are taken into account in the decision-making processes of the undertaking	[AMENDED] The wording was simplified and amended to align with the decision to merge former ESRS S1-2 and ESRS S1-3. Elements moved from [31].
27. The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or	12. 27. The undertaking shall disclose how it engages directly with its own workforce or workers' representatives whether and how the perspectives	[AMENDED]

activities aimed at managing the actual and potential impacts on its own workforce. This shall include, where relevant, an explanation of:	of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce <u>during the reporting year</u> . This shall include, <u>where relevant an explanation of:</u>	The wording was simplified and amended to align with the decision to merge former ESRS S1-2 and ESRS S1-3. Elements moved from [27] (a) and clarified timeframe (i.e. reporting year).
(a) whether engagement occurs directly with the undertaking's own workforce or workers' representatives;	(a) whether engagement occurs directly with the undertaking's own workforce or workers' representatives;	[AMENDED] Moved to new [12].
(b) the stage(s) at which engagement occurs, the type of engagement and frequency of the engagement;	(b) the stage(s) at which engagement occurs, the type of engagement and frequency of the engagement;	[MOVED] Moved to new [AR 2] (type of engagement)
(c) the function and the most senior role within the undertaking that has operational responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach;	(c) the function and the most senior role within the undertaking that has operational responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach;	[DELETED] Granularity removed from narrative disclosures
(d) where applicable, a Global Framework Agreement or other agreements that the undertaking has with workers' representatives related to the respect of human rights of its own workforce, including an explanation of how the agreement enables the undertaking to gain insight into the perspectives of its own workforce; and	(b) (d) where applicable, a the Global Framework Agreements ('GFA') or other agreements outcomes that the undertaking has reached with workers' representatives related to the respect of human rights of its own workforce, if there are any such agreements or outcomes. including an explanation of how the agreement enables the undertaking to gain insight into the perspectives of its own workforce; and	[UNCHANGED] Minor editorial changes.
(e) where applicable, how the undertaking assesses the effectiveness of its engagement with its own workforce, including, where relevant, any agreements or outcomes that result.	(e) where applicable, how the undertaking assesses the effectiveness of its engagement with its own workforce, including, where relevant, any agreements or outcomes that result.	[DELETED] The references to effectiveness have been streamlined. Effectiveness is now reflected in 1)

		disclosure on how the undertaking assesses the effectiveness of channels to raise concerns or needs in new [AR 13]; and 2) disclosure on the effectiveness of action, including remedy in new S1-3 [16] (b).
28. Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of people in its own workforce who may be particularly vulnerable to impacts and/or marginalised (for example, women, migrants, people with disabilities).	(a) 28. Where applicable, how the undertaking shall disclose the steps it takes to gain insight into the perspectives of people in its own workforce who may be particularly vulnerable to impacts and/or who are marginalised (for example, women, migrants, persons people with disabilities).- if the undertaking takes action to understand those perspectives; and	[UNCHANGED] Minor editorial changes
29. If the undertaking cannot disclose the above required information because it has not adopted a general process to engage with its own workforce, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a process in place.	29. If the undertaking cannot disclose the above required information because it has not adopted a general process to engage with its own workforce, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a process in place.	[DELETED] Burden reduction by deleting this negative statement requirement.
<i>Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns</i>	<i>Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
		[AMENDED] Overall approach: Consolidation of two DRs under a single DR in light of the connection between the three points on engagement, channels to raise concerns and remedy. Deletion of a number of datapoints and clear delimitation of the scope of existing

		datapoints as per input from public input survey. General approach to remedy moved after “channels to raise concerns” for better alignment with the sequencing of UNGPs or OECD MNE.
30. The undertaking shall describe the processes it has in place to provide for or cooperate in the remediation of negative impacts on people in its own workforce that the undertaking is connected with, as well as channels available to its own workforce to raise concerns and have them addressed.	30. The undertaking shall describe the processes it has in place to provide for or cooperate in the remediation of negative impacts on people in its own workforce that the undertaking is connected with, as well as channels available to its own workforce to raise concerns and have them addressed.	[DELETED] The paragraph was removed as part of the overall architectural decisions made by EFRAG to streamline the text.
31. The objective of this Disclosure Requirement is to enable an understanding of the formal means by which the undertaking's own workforce can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of such channels (for example, grievance mechanisms) in the workplace, and how follow up is carried out with the people concerned regarding the issues raised and the effectiveness of these channels.	31. The objective of this Disclosure Requirement is to enable an understanding of the formal means by which the undertaking's own workforce can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of such channels (for example, grievance mechanisms) in the workplace, and how follow up is carried out with the people concerned regarding the issues raised and the effectiveness of these channels.	[DELETED] Deleted in accordance with the decision to eliminate ‘Objectives’ paragraphs from PAT disclosures requirements. This decision is part of the effort in eliminating overlaps between ESRS 2 and topical standards. Streamlined with ESRS S1-2 based on agreement by EFRAG and input from information gathering to merge former ESRS S1-2 and ESRS S1-3.
32. The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information:	32. The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information:	[DELETED] Based on EFRAG decision to delete granularity and focus on outcome-based requirements.

<p>(a) its general approach to and processes for providing or contributing to remedy where it has caused or contributed to a material negative impact on people in its own workforce, including whether and how the undertaking assesses that the remedy provided is effective;</p>	<p><u>14. (a) The undertaking shall describe its general approach to and processes for to provide or cooperate in remediation contributing to remedy where it has caused or contributed to a material negative impact on people in its own workforce, including whether and how the undertaking assesses that the remedy provided is effective;</u></p>	<p>[AMENDED] As part of the merging former ESRS S1-2 and ESRS S1-3, this is moved to ESRS S1-2 [14] Editorial change to refer to “provide or cooperate in remediation” in alignment with international standards (UNGPs principle 22).</p>
<p>(b) any specific channels it has in place for its own workforce to raise their concerns or needs directly with the undertaking and have them addressed, including whether these are established by the undertaking itself and/or through participation in third-party mechanisms;</p>	<p><u>13. (b) The undertaking shall describe the any specific channels available to it has in place for its own workforce to raise bring their concerns or needs directly with to its attention the undertaking and have them addressed,. In particular, it shall state whether it has a grievance mechanism in place³. It shall also explain how it assesses the effectiveness of these channels, including whether these are established by the undertaking itself and/or through participation in third party mechanisms;</u></p>	<p>[AMENDED] Text moved from former [32] (c)(e) and simplified to improve clarity in line with simplification. Reference to third party mechanisms moved to defined term “channels to raise concerns or needs” that is now included in the glossary.</p>
<p>(c) whether or not the undertaking has a grievance/complaints handling mechanism related to employee matters (94); and</p>	<p>(e) whether or not the undertaking has a grievance/complaints handling mechanism related to employee matters (94); and</p>	<p>[AMENDED] For clarification and streamlining references to engagement, moved to new [13] on channels available to its own workforce to bring their concerns or needs, including grievance mechanisms.</p>
<p>(d) the processes through which the undertaking supports the availability of such channels in the workplace of its own workforce; and</p>	<p>(d) the processes through which the undertaking supports the availability of such channels in the workplace of its own workforce; and</p>	<p>[DELETED] Deleted to reduce granularity.</p>

	<p>(e) how it tracks and monitors issues raised and addressed, and, how it ensures the effectiveness of the channels, including through the involvement of stakeholders who are intended users.</p>	<p>(e) how it tracks and monitors issues raised and addressed, and, how it ensures the effectiveness of the channels, including through the involvement of stakeholders who are intended users.</p> <p>[AMENDED]</p> <p>Moved to new [13]</p> <p>Criteria for effectiveness are provided in new [AR 3] by reference to the “effectiveness criteria for non-judicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p>
<p>33. The undertaking shall disclose whether and how it assesses that people in its own workforce are aware of, and trust, these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place regarding the protection of individuals that use them, including workers’ representatives, against retaliation. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.</p>	<p>33. The undertaking shall disclose whether and how it assesses that people in its own workforce are aware of, and trust, these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place regarding the protection of individuals that use them, including workers’ representatives, against retaliation. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.</p>	<p>[MOVED]</p> <p>Criteria for effectiveness are provided in new [AR 3] by reference to the “effectiveness criteria for non-judicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p> <p>Disclosure on policies for protecting individuals that use these channels against retaliation has also been moved to new [AR 3].</p>
<p>34. If the undertaking cannot disclose the above required information because it has not adopted a channel for raising</p>	<p>34. If the undertaking cannot disclose the above required information because it has not adopted a channel for raising concerns and/or does</p>	<p>[DELETED]</p>

concerns and/or does not support the availability of such a channel in the workplace for its own workforce, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a channel in place.	not support the availability of such a channel in the workplace for its own workforce, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a channel in place.	Burden reduction by deleting this negative statement provision.
<i>Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</i>	<i>Disclosure Requirement S1-3.4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions <u>Actions and resources related to Own workforce</u></i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
35. The undertaking shall disclose how it takes action to address material negative and positive impacts, and to manage material risks and pursue material opportunities related to its own workforce, and the effectiveness of those actions.	35. The undertaking shall disclose how it takes action to address material negative and positive impacts, and to manage material risks and pursue material opportunities related to its own workforce, and the effectiveness of those actions.	[DELETED] The paragraph was removed as part of the overall architectural decisions made by EFRAG to streamline the text.
36. The objective of this Disclosure Requirement is twofold. Firstly, it is to enable an understanding of any actions and initiatives through which the undertaking seeks to:	36. The objective of this Disclosure Requirement is twofold. Firstly, it is to enable an understanding of any actions and initiatives through which the undertaking seeks to:	[DELETED] Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort in eliminating overlaps between ESRS 2 and topical standards.
(a) to prevent, mitigate and remediate negative material impacts on its own workforce; and/or	(a) to prevent, mitigate and remediate negative material impacts on its own workforce; and/or	
(b) to achieve positive material impacts for its own workforce	(b) to achieve positive material impacts for its own workforce	
Secondly, it is to enable an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to its own workforce.	Secondly, it is to enable an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to its own workforce.	
37. The undertaking shall provide a summarised description of the action plans and resources to manage its material impacts, risks, and opportunities related to its own workforce in accordance with ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.	<u>15.</u> <u>37.</u> The undertaking shall <u>provide a summarised description of the actions</u> <u>plans and resources used</u> to manage its material <u>positive and negative</u> impacts, risks, and opportunities related to its own workforce in accordance with ESRS 2 <u>MDR-A. Actions and resources in relation to material sustainability matters</u> .	[AMENDED] Editorial change to clarify that this disclosure applies to both material positive and negative impacts.

38. In relation to the material impacts related to its own workforce, the undertaking shall describe:	<u>16. 38.</u> In relation to the material negative impacts on related to its own workforce, the undertaking shall describe:	[AMENDED] Editorial: addition of “negative”
(a) actions taken, planned or underway to prevent or mitigate material negative impacts on its own workforce;	(a) <u>its key</u> actions taken, planned or underway to prevent or mitigate material negative impacts on its own workforce, <u>including its approach in situations where tensions arise between such actions and other business pressures;</u> and	[AMENDED] Elements moved from former [38] (b) and former [41] that were connected and both relate to remedies. This datapoint now covers prevention, mitigation as well as remediation of material negative impacts.
(b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact;	(b) <u>whether and how it has taken action to provide or enable remedy in relation to an actual material impact;</u>	[AMENDED] Concept of remedy included in new [16] (a) above. Amendments were also added in new [AR 4] for this DR clarifying that actions to be disclosed also cover the actions to provide, cooperate in, or enable remediation in cases of actual negative impacts.
(c) any additional actions or initiatives it has in place with the primary purpose of delivering positive impacts for its own workforce; and	(c) <u>any additional actions or initiatives it has in place with the primary purpose of delivering positive impacts for its own workforce;</u> and	[DELETED] Based on EFRAG decision to simplify content. Disclosures on positive impacts are now all covered in new [15].

(d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering outcomes for its own workforce.	<u>(b)-(d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering outcomes for its own workforce. This disclosure can be omitted if the undertaking discloses how it tracks the effectiveness of its actions in accordance with ESRS 2 GDR-T or GDR-M. In that case, a reference to that disclosure is sufficient.</u>	[AMENDED] Amended to make it clear that companies do not need to disclose the same information twice and to improve articulation between topical PAT disclosures and ESRS 2.
39. In relation to paragraph 36, the undertaking shall describe the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on its own workforce.	39. In relation to paragraph 36, the undertaking shall describe the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on its own workforce.	[DELETED] Deleted to reduce granularity and duplications
40. In relation to material risks and opportunities, the undertaking shall describe:	40. In relation to material risks and opportunities, the undertaking shall describe:	[DELETED] Simplification of topical datapoints linked to [GDR-A] in line with EFRAG decision.
(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workforce and how it tracks effectiveness in practice; and	(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workforce and how it tracks effectiveness in practice; and	[DELETED] Simplification of topical datapoints linked to [GDR-A] in line with EFRAG decision.
(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to its own workforce.	(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to its own workforce.	[DELETED] Simplification of topical datapoints linked to [GDR-A] in line with EFRAG decision.
41. The undertaking shall disclose whether and how it ensures that its own practices do not cause or contribute to material negative impacts on own workforce, including, where relevant, its practices in relation to procurement, sales and data use.	41. The undertaking shall disclose whether and how it ensures that its own practices do not cause or contribute to material negative impacts on own workforce, including, where relevant, its practices in relation to procurement, sales and data use. This may include disclosing what	[DELETED]

This may include disclosing what approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.	approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.	Simplification of topical datapoints linked to [GDR-A] in line with EFRAG decision. Tensions arising with business pressures (for example, in procurement or sales) are now covered in [16] (a).
42. When disclosing the information required under paragraph 40, the undertaking shall consider ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets if it evaluates the effectiveness of an action by setting a target.	42. When disclosing the information required under paragraph 40, the undertaking shall consider ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets if it evaluates the effectiveness of an action by setting a target.	[DELETED] This is covered by ESRS 2 [GDR-A]. New S1-4 also consolidates references on targets.
43. The undertaking shall disclose what resources are allocated to the management of its material impacts, with information that allows users to gain an understanding of how the material impacts are managed.	43. The undertaking shall disclose what resources are allocated to the management of its material impacts, with information that allows users to gain an understanding of how the material impacts are managed.	[DELETED] This is covered by ESRS 2 [GDR-A].
<i>Metrics and Targets</i>		
<i>Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</i>	<i>Disclosure Requirement S1-45 – Targets related to own workforce managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</i>	<i>Comment/Rationale</i>
ESRS as enacted in 2023	Draft Amended ESRS	
44. The undertaking shall disclose the time-bound and outcome-oriented targets it may have set related to:	44. The undertaking shall disclose the time-bound and outcome-oriented targets it may have set related to:	[DELETED] Deleted to eliminate overlap with [GDR-T].
(a) reducing negative impacts on its own workforce; and/or	(a) reducing negative impacts on its own workforce; and/or	

(b) advancing positive impacts on its own workforce; and/or	(b) advancing positive impacts on its own workforce; and/or	
(c) managing material risks and opportunities related to its own workforce.	(c) managing material risks and opportunities related to its own workforce.	
45. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing its material negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.	45. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing its material negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.	[DELETED] Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.
46. The summarised description of the targets set to manage its material impacts, risks and opportunities related to the undertaking's own workforce shall contain the information requirements defined in ESRS 2 MDR-T.	<u>17. 46. The summarised description of the The undertaking shall disclose qualitative and/or quantitative targets set to manage related to its material impacts, risks and opportunities related to the undertaking's own workforce shall contain the information requirements defined in accordance with ESRS 2 MDR-T.</u>	[AMENDED] General approach: DR 4 is the result of the reduction of several datapoints and ARs in Set 1 DR 5 (targets) to simplify disclosure and better connect targets and metrics with the tracking and assessment of the effectiveness of actions. Amended for more precision about what is expected from companies and when it is expected and for consolidation of disclosure requirements on targets.
47. The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with its own workforce or workers' representatives in:	47. The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with its own workforce or workers' representatives in:	[AMENDED, MOVED] Amended and consolidated the various aspects of target setting

		that can involve affected stakeholders in new [AR 6].
(a) setting any such targets;	(a) setting any such targets;	[MOVED] Moved to new [AR 6] for clarity.
(b) tracking the undertaking's performance against them; and	(b) tracking the undertaking's performance against them; and	[MOVED] Moved to new [AR 6] for clarity.
(c) identifying any lessons or improvements as a result of the undertaking's performance	(c) identifying any lessons or improvements as a result of the undertaking's performance	[MOVED] Moved to new [AR 6] for clarity.
<i>Disclosure Requirement S1-6 – Characteristics of the undertaking's employees</i>	<i>Disclosure Requirement S1-56 – Characteristics of the undertaking's employees</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	

<p>48. The undertaking shall describe key characteristics of employees in its own workforce.</p>	<p>48. The undertaking shall describe key characteristics of employees in its own workforce.</p>	<p>[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.</p>
<p>49. The objective of this Disclosure Requirement is to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in this Standard.</p>	<p><u>18-49.</u> The objective of this <u>Disclosure Requirement DR</u> is to provide insight into the undertaking's approach to employment <u>practices</u>, <u>including security of employment for its own workforce, the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to</u>. <u>It also serves as the basis for calculation calculating for certain quantitative metrics to be disclosed under other disclosure requirements in this Standard.</u> required by other</p>	<p>[UNCHANGED] Editorial changes and added emphasis that this DR is related to the sub-topic working conditions, which includes secure employment.</p>

	<u>DRs in this Standard and provides contextual information for those metrics.</u>	
50. In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose:	<u>19. 50. In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose:</u>	[UNCHANGED] Editorial change
a) the total number of employees by head count, and breakdowns by gender and by country for countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees;	a) the total number of employees by headcount, and breakdowns by gender and by country for <u>the countries in which it the undertaking has 50 or more employees and that are the ten largest countries in terms of employee numbers; representing at least 10% of its total number of employees;</u>	[AMENDED] Introduction of a revised threshold for significant employment based on an EFRAG decision, which is applicable to both new S1-5 and S1-7. This threshold could serve to provide more meaningful information, the former threshold might only account for a minority of employees, in particular for companies whose workforce is distributed over many countries.
(b) the total number by head count or full time equivalent (FTE) of: i. permanent employees, and breakdown by gender; ii. temporary employees, and breakdown by gender; and iii. non-guaranteed hours employees, and breakdown by gender.	(b) the total number by headcount or full time equivalent (FTE) of: i. permanent employees, <u>and with a</u> breakdown by gender; ii. temporary employees, <u>and with a</u> breakdown by gender; <u>and</u> iii. non-guaranteed hours employees; <u>and breakdown by gender.</u>	[AMENDED] Deletion of gender breakdown for non-guaranteed hours employees to reduce granularity.
(c) the total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period.	<u>(c) the total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period; and</u>	[DELETED] Deletion of the datapoint on the total number of employees who have left the undertaking to reduce granularity. [UNCHANGED]

		The datapoint on the rate of employee turnover is unchanged.
d) a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count or full-time equivalent (FTE) (including an explanation of how FTE is defined); and ii. at the end of the reporting period, as an average across the reporting period, or using another methodology.	d) a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count or full-time equivalent (FTE) (including an explanation of how FTE is defined); and ii. at the end of the reporting period, as an average across the reporting period, or using another methodology.	[DELETED] The requirement to describe the calculation methodology is already included in ESRS 2 [GDR-M]. AR 8 references ESRS 2 [GDR-M] and uses the information previously included in point ii as examples of relevant contextual information.
e) where applicable, a provision of contextual information necessary to understand the data (for example, to understand fluctuations in number of employees during the reporting period); and	e) where applicable, a provision of contextual information necessary to understand the data (for example, to understand fluctuations in number of employees during the reporting period); and	[DELETED] Specific datapoint on contextual information deleted in an effort to simplify and reduce repetition with ESRS 2.
f) a cross-reference of the information reported under (a) above to the most representative number in the financial statements.	(d) f) a cross-reference of the a qualitative explanation in case there is inconsistency between information reported under point (a) above and to the most representative number reported in the financial statements.	[AMENDED] Reduced scope of the datapoint to focus on cases of inconsistencies.
51. For the information specified in point (b) of paragraph 50, the undertaking may in addition disclose the breakdown by region.	51. For the information specified in point (b) of paragraph 50, the undertaking may in addition disclose the breakdown by region.	[DELETED] In line with the decision to delete voluntary datapoints.
52. The undertaking may disclose by head count or full time equivalent (FTE) the following information:	52. The undertaking may disclose by head count or full time equivalent (FTE) the following information:	
(a) full-time employees, and breakdowns by gender and by region; and	(a) full-time employees, and breakdowns by gender and by region; and	
(b) part-time employees, and breakdowns by gender and by region.	(b) part-time employees, and breakdowns by gender and by region.	

Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce	Disclosure Requirement S1-67 – Characteristics of non-employees in the undertaking's own workforce	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
53. The undertaking shall describe key characteristics of non-employees in its own workforce.	53. The undertaking shall describe key characteristics of non-employees in its own workforce.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs
54. The objective of this Disclosure Requirement is to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids the understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in this Standard. It also allows an understanding of how much the undertaking relies on non-employees as part of its workforce.	20. 54. The objective of this Disclosure Requirement DR is to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids the understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in this Standard. It also allows enable an understanding of how much the undertaking relies on non-employees as part of its own workforce.	[AMENDED] Editorial amendments in line with simplification.
55. The disclosure required by paragraph 53 shall include:	55. The disclosure required by paragraph 53 shall include:	[DELETED]
(a) a disclosure of the total number of non-employees in the undertaking's own workforce, i.e., either people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78).	21. (a) a disclosure of The undertaking shall disclose the total number of non-employees in the undertaking's own workforce, i.e., either people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78).	[AMENDED] Simplification, the definition of non-employees, which is already included in the glossary has been deleted.
(b) an explanation of the methodologies and assumptions used to compile the data, including whether the number of non-employees is reported: i. in headcount or full-time equivalent (FTE) (including a definition of how FTE is defined); and ii. at the end of the reporting period, as an average across the reporting period, or using another methodology	(b) an explanation of the methodologies and assumptions used to compile the data, including whether the number of non-employees is reported: i. in headcount or full time equivalent (FTE) (including a definition of how FTE is defined); and ii. at the end of the reporting period, as an average across the reporting period, or using another methodology	[AMENDED, MOVED] Moved, in amended form, to [AR 13]. AR 13 has turned these former datapoints into methodological requirements.

c) where applicable, a provision of contextual information necessary to understand the data (for example, significant fluctuations in the number of non-employees in the undertaking's own workforce during the reporting period and between the current and the previous reporting period).	c) where applicable, a provision of contextual information necessary to understand the data (for example, significant fluctuations in the number of non-employees in the undertaking's own workforce during the reporting period and between the current and the previous reporting period).	[DELETED] Key datapoints already captured in AR 13.
56. For the information specified in point (a) of paragraph 55, the undertaking may disclose the most common types of non-employees (for example, self-employed people, people provided by undertakings primarily engaged in employment activities, and other types relevant to the undertaking), their relationship with the undertaking, and the type of work that they perform.	56. For the information specified in point (a) of paragraph 55, the undertaking may disclose the most common types of non-employees (for example, self-employed people, people provided by undertakings primarily engaged in employment activities, and other types relevant to the undertaking), their relationship with the undertaking, and the type of work that they perform.	[DELETED] Such content might be considered by EFRAG as future non mandatory guidance.
57. Where data is not available, the undertaking shall estimate the number and state that it has done so. When the undertaking performs estimates, it shall describe the basis of preparation of this estimation.	57. Where data is not available, the undertaking shall estimate the number and state that it has done so. When the undertaking performs estimates, it shall describe the basis of preparation of this estimation.	[MOVED] Reference to ESRS 1 General Requirements regarding estimates described in AR 13.
<i>Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue</i>	<i>Disclosure Requirement S1-78 – Collective bargaining coverage and social dialogue</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
58. The undertaking shall disclose information on the extent to which the working conditions and terms of employment of its employees are determined or influenced by collective bargaining agreements and on the extent to which its employees are represented in social dialogue in the European Economic Area (EEA) at the establishment and European level.	58. The undertaking shall disclose information on the extent to which the working conditions and terms of employment of its employees are determined or influenced by collective bargaining agreements and on the extent to which its employees are represented in social dialogue in the European Economic Area (EEA) at the establishment and European level.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
59. The objective of this Disclosure Requirement is to enable an understanding of the coverage of collective bargaining agreements and social dialogue for the undertaking's own employees.	22. 59. The objective of this DR Disclosure Requirement is to enable an understanding of the coverage of collective bargaining agreements and social dialogue for the undertaking's own employees.	[UNCHANGED] Editorial amendments.
60. The undertaking shall disclose:	23. 60. The undertaking shall disclose the following information in relation to collective bargaining:	[UNCHANGED]

		Editorial amendments.
(a) the percentage of its total employees covered by collective bargaining agreements;	(a) the percentage of its total employees covered by collective bargaining agreements;	[UNCHANGED]
(b) in the EEA, whether it has one or more collective bargaining agreements and, if so, the overall percentage of its employees covered by such agreement(s) for each country in which it has significant employment, defined as at least 50 employees by head count representing at least 10% of its total number of employees; and	(b) in the <u>European Economic Area (EEA)</u> , whether it has one or more collective bargaining agreements and, if so, the overall percentage of its employees covered by such agreement(s) for each country in which it has significant employment, <u>which are the EEA countries disclosed in paragraph 19(a) above; defined as at least 50 employees by head count representing at least 10% of its total number of employees</u> and	[AMENDED] Introduction of a revised threshold for significant employment based on an EFRAG decision, which is applicable to both new S1-5 and S1-7. This threshold could serve to provide more meaningful information, the former threshold might only account for a minority of employees, in particular for companies whose workforce is distributed over many countries.
c) outside the EEA, the percentage of its own employees covered by collective bargaining agreements by region.	(c) outside the EEA, the percentage of its own employees covered by collective bargaining agreements by region.	[UNCHANGED] Editorial amendment.
61. For employees not covered by collective bargaining agreements, the undertaking may disclose whether it determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other undertakings.	61. For employees not covered by collective bargaining agreements, the undertaking may disclose whether it determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other undertakings.	[DELETED] Deleted to follow the common EFRAG approach of reviewing and deleting all voluntary datapoints.
62. The undertaking may disclose the extent to which the working conditions and terms of employment of non-employees in its own workforce are determined or influenced by collective bargaining agreements, including an estimate of the coverage rate	62. The undertaking may disclose the extent to which the working conditions and terms of employment of non-employees in its own workforce are determined or influenced by collective bargaining agreements, including an estimate of the coverage rate	[DELETED] Deleted to follow the common EFRAG approach of reviewing and deleting all voluntary datapoints.
63. The undertaking shall disclose the following information in relation to social dialogue:	24. <u>63.</u> The undertaking shall disclose the following information in relation to social dialogue <u>for EEA countries</u> :	[UNCHANGED]

		Editorial amendment.
a) the global percentage of employees covered by workers' representatives, reported at the country level for each EEA country in which the undertaking has significant employment; and	a) the global percentage of employees covered by workers' representatives, reported at the country level for each EEA country in which the undertaking has significant employment, <u>as calculated in accordance with paragraph 23 (b) above</u> ; and	[AMENDED] Added reference to the revised significant employment threshold.
b) the existence of any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.	b) the existence of any agreements with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.	[UNCHANGED]
<i>Disclosure Requirement S1-9 – Diversity metrics</i>	<i>Disclosure Requirement S1-89 – Diversity metrics</i>	
ESRS as enacted in 2023	Draft Amended ESRS	Comment/Rationale

64. The undertaking shall disclose the gender distribution at top management and the age distribution amongst its employees.	64. The undertaking shall disclose the gender distribution at top management and the age distribution amongst its employees.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
65. The objective of this Disclosure Requirement is to enable an understanding of gender diversity at top management level and the age distribution of its employees	25 65. The objective of this Disclosure Requirement DR is to enable an understanding of gender diversity at top management level and the age distribution of its employees	[AMENDED] To reflect the deletion of the datapoint on age distribution.
66. The undertaking shall disclose:	66. The undertaking shall disclose:	[AMENDED] Simplified, refer to [26].
(a) the gender distribution in number and percentage at top management level; and	26. (a) The undertaking shall disclose the gender distribution in number (headcount) and percentage at top management level; and	[UNCHANGED] Editorial amendments, specification that the gender

		distribution shall be disclosed in headcount.
(b) the distribution of employees by age group: under 30 years old; 30-50 years old; over 50 years old.	(b) the distribution of employees by age group: under 30 years old; 30-50 years old; over 50 years old.	[DELETED] Simplification.
Disclosure Requirement S1-10 – Adequate wages	Disclosure Requirement S1-<u>910</u> – Adequate wages	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
67. The undertaking shall disclose whether or not its employees are paid an adequate wage, and if they are not all paid an adequate wage, the countries and percentage of employees concerned.	67. The undertaking shall disclose whether or not its employees are paid an adequate wage, and if they are not all paid an adequate wage, the countries and percentage of employees concerned.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
68. The objective of this Disclosure Requirement is to enable an understanding of whether or not all the undertaking's employees are paid an adequate wage, in line with applicable benchmarks.	<u>27.</u> <u>68.</u> The objective of this Disclosure Requirement <u>DR</u> is to enable an understanding of whether or not all the undertaking's employees are paid an adequate wage, <u>in line with applicable benchmarks and the benchmark the undertaking uses for its assessment.</u>	[AMENDED] Change to refer to the added datapoint on the benchmark used.
69. The undertaking shall disclose whether all its employees are paid an adequate wage, in line with applicable benchmarks. If so, stating this will be sufficient to fulfil this disclosure requirement and no further information is needed.	<u>28.</u> <u>69.</u> The undertaking shall disclose whether or not all its employees are paid an adequate wage, <u>in line with applicable and the benchmarks it uses to determine adequate wages with country-level context. If so, stating this will be sufficient to fulfil this disclosure requirement and no further information is needed. If employees are not paid an adequate wage, the undertaking shall disclose the countries and the percentage of employees concerned.</u>	[AMENDED, MOVED] Some content moved from former [70], which were simplified and consolidated with existing text. The reference that a statement will suffice if all employees are paid an adequate wage has been included in [AR 18]. [NEW] Explicit datapoint on the disclosure of the benchmark(s) used. This a required datapoint as per [GDR-M] on methodology that has been made explicit.

70. If not all its employees are paid an adequate wage in line with applicable benchmarks, the undertaking shall disclose the countries where employees earn below the applicable adequate wage benchmark and the percentage of employees that earn below the applicable adequate wage benchmark for each of these countries.	70. If not all its employees are paid an adequate wage in line with applicable benchmarks, the undertaking shall disclose the countries where employees earn below the applicable adequate wage benchmark and the percentage of employees that earn below the applicable adequate wage benchmark for each of these countries.	[AMENDED] Moved to former [69], simplified and consolidated in new [28].
71. The undertaking may also disclose the information specified in this disclosure requirement with regard to non-employees in its workforce.	71. The undertaking may also disclose the information specified in this disclosure requirement with regard to non-employees in its workforce.	[DELETED] Deleted in line with EFRAG decision to review and delete all the voluntary datapoints.
Disclosure Requirement S1-11 – Social protection ESRS as enacted in 2023	Disclosure Requirement S1-101 – Social protection Draft Amended ESRS	Comment/Rationale
72. The undertaking shall disclose whether its employees are covered by social protection against loss of income due to major life events, and, if not, the countries where this is not the case.	72. The undertaking shall disclose whether its employees are covered by social protection against loss of income due to major life events, and, if not, the countries where this is not the case.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
73. The objective of this Disclosure Requirement is to enable an understanding of whether the undertaking's employees are covered by social protection against loss of income due to major life events, and, if not, the countries where this is not the case.	29 73. The objective of this Disclosure Requirement DR is to enable an understanding of whether the undertaking's employees are covered by social protection against loss of income due to major life events and, if not, the countries where this is not the case.	[UNCHANGED] Editorial amendment.
74. The undertaking shall disclose whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events:	30 74. The undertaking shall disclose whether all its employees are covered by <u>If the undertaking's employees lack social protection, through public programmes or through benefits offered by the undertaking itself, against loss of income due to any of it shall disclose the countries of operation where the following major life events are not covered by existing social protection programmes:</u>	[UNCHANGED] Some content moved from former [75], which were simplified and consolidated in new [30]. Explanation on 'lack of social protection' (employees that are not covered by existing social protection programmes) was added for clarity.

(a) sickness;	(a) sickness;	[UNCHANGED]
(b) unemployment starting from when the own worker is working for the undertaking;	(b) unemployment starting from when the <u>employee own worker</u> is working for the undertaking;	[UNCHANGED] Editorial amendment
(c) employment injury and acquired disability;	(c) employment injury and acquired disability; <u>and</u>	[UNCHANGED] Editorial amendment
(d) parental leave; and	(d) parental leave ; and maternity leave.	[AMENDED] Amended in favour of the more mature indicator of maternity leave in line with EFRAG decision and information gathering input.
(e) retirement.	{e) retirement.	[DELETED] Granularity reduced in line with simplification.
If so, stating this is sufficient to fulfil this disclosure requirement and no further information is needed.	If so, stating this is sufficient to fulfil this disclosure requirement and no further information is needed.	[DELETED] As part of former [74] and [75], which were simplified and consolidated in new [30].
75. If not all of its employees are covered by social protection in accordance with paragraph 72, the undertaking shall in addition disclose the countries where employees do not have social protection with regard to one or more of the types of events listed in paragraph 72 and for each of those countries the types of employees who do not have social protection with regard to each applicable major life event.	75. If not all of its employees are covered by social protection in accordance with paragraph 72, the undertaking shall in addition disclose the countries where employees do not have social protection with regard to one or more of the types of events listed in paragraph 72 and for each of those countries the types of employees who do not have social protection with regard to each applicable major life event.	[AMENDED] Moved to former [74] and consolidated in new [30] in line with simplification
76. The undertaking may also disclose the information specified in this disclosure requirement with regard to non-employees in its workforce.	76. The undertaking may also disclose the information specified in this disclosure requirement with regard to non-employees in its workforce.	[DELETED] Deleted in line with EFRAG decision to review and delete all the voluntary datapoints.

Disclosure Requirement S1-12– Persons with disabilities	Disclosure Requirement S1-112 – Persons with disabilities	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
77. The undertaking shall disclose the percentage of its own employees with disabilities.	77. The undertaking shall disclose the percentage of its own employees with disabilities.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
78. The objective of this Disclosure Requirement is to enable an understanding of the extent to which persons with disabilities are included among the undertaking’s employees.	31 78. The objective of this Disclosure Requirement DR is to enable an understanding of the extent to which persons with disabilities are included among the undertaking’s employees.	[UNCHANGED] Editorial amendments made for clarity.
79. The undertaking shall disclose the percentage of persons with disabilities amongst its employees subject to legal restrictions on the collection of data.	32 79. The undertaking shall disclose the percentage of persons with disabilities amongst its employees, subject to legal restrictions on the collection of data.	[UNCHANGED]
80. The undertaking may disclose the percentage of employees with disabilities with a breakdown by gender	80. The undertaking may disclose the percentage of employees with disabilities with a breakdown by gender	[DELETED] Deleted to follow the common EFRAG approach of reviewing and deleting all the voluntary datapoints.
Disclosure Requirement S1-13 – Training and skills development metrics	Disclosure Requirement S1-123 – Training and skills development metrics	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
81. The undertaking shall disclose the extent to which training and skills development is provided to its employees.	81. The undertaking shall disclose the extent to which training and skills development is provided to its employees.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
82. The objective of this Disclosure Requirement is to enable an understanding of the training and skills development - related activities that have been offered to employees, within the context of continuous professional growth, to upgrade employees’ skills and facilitate continued employability.	33 82. The objective of this Disclosure Requirement DR is to enable an understanding of the training and skills development-related activities that have been offered to employees, within the context of continuous professional growth, to upgrade their employees’ skills and facilitate continued employability.	[UNCHANGED] Editorial amendments.

83. The disclosure required by paragraph 81 shall include:	3483. The disclosure required by paragraph 81 shall include The undertaking shall disclose the following information for the reporting period:	[UNCHANGED] Editorial amendment.
(a) the percentage of employees that participated in regular performance and career development reviews; such information shall be broken down by gender;	(a) the percentage of employees that participated in regular <ins>formalised</ins> performance and career development reviews; and such information shall be broken down by gender;	[UNCHANGED] Change to 'formalised' for clearer alignment with the definition of performance reviews and simplification. [DELETED] Deletion of gender breakdown to reduce granularity in line with simplification.
(b) the average number of training hours per employee and by gender.	(b) the average number of training hours per employee and by gender .	[AMENDED] Deletion of gender breakdown to reduce granularity in line with simplification.
84. The undertaking may disclose breakdowns by employee category for the percentage of employees that participated in regular performance and career development and for the average number of training hours per employee.	84. The undertaking may disclose breakdowns by employee category for the percentage of employees that participated in regular performance and career development and for the average number of training hours per employee.	[DELETED] Deleted to follow the common EFRAG decision of reviewing and deleting all the voluntary datapoints.
85. The undertaking may also disclose the information specified in this disclosure requirement with regard to non-employees in its workforce.	85. The undertaking may also disclose the information specified in this disclosure requirement with regard to non-employees in its workforce.	[DELETED] Deleted to follow the common EFRAG decision of reviewing and deleting all the voluntary datapoints.
<i>Disclosure Requirement S1-14 – Health and safety metrics</i>	<i>Disclosure Requirement S1-134 – Health and safety metrics</i>	<i>Comment/Rationale</i>

ESRS as enacted in 2023	Draft Amended ESRS	
86. The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites.	86. The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
87. The objective of this Disclosure Requirement is to allow an understanding of the coverage, quality and performance of the health and safety management system established to prevent work-related injuries.	3587. The objective of this Disclosure Requirement DR is to allow enable an understanding of the coverage, quality and performance of the occupational health and safety safety and health management system established to prevent work-related injuries accidents, ill-health and fatalities.	[AMENDED] Amended in accordance with changes to defined concepts. Deletion of the term "injuries" and use 'accidents' instead. A definition of 'occupational health and safety management system' has been added.
88. The disclosure required by paragraph 86 shall include the following information, where applicable broken down between employees and non-employees in the undertaking's own workforce:	3688. The disclosure required by paragraph 86 shall include The undertaking shall disclose the following information for the reporting period: where applicable broken down between employees and non-employees in the undertaking's own workforce:	[AMENDED] Provision regarding non-employee reporting moved to separate subparagraph.
(a) the percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines;	(a) the percentage of people in its own workforce who are covered by the undertaking's <u>occupational safety and health</u> health and safety management system based on legal requirements and/or recognised standards or guidelines ⁴ ;	[UNCHANGED] Amended for consistency with terminological changes.
b) the number of fatalities (95) as a result of work-related injuries and work-related ill health;	(b) <u>subject to legal restrictions, the sum of:</u> <u>(i) the number of fatalities (95) as a result of from recordable work-related injuries and accidents among all people in the undertaking's own workforce as well as workers who work on the undertaking's sites, but are not part of its own workforce; and</u>	[AMENDED] Reduction of scope of the metric because fatalities from ill health among non-employees are no longer included.

	(ii) the number of fatalities from recordable work-related ill health among its employees;	
(c) the number and rate of recordable work-related accidents;	(c) the number and rate of recordable work-related accidents ⁵ ;	[UNCHANGED] This is an EU SFDR PAI.
(d) with regard to the undertaking's employees, the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data; and	(d) with regard to the undertaking's employees, the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data; and	[UNCHANGED]
e) with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health (96).	e) with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from recordable work-related accidents; and recordable work-related ill health and fatalities from ill health (96). ⁶	[AMENDED] Decision based on clarification sought from the Q&A platform. Deletion of days lost to fatalities where methodology is lacking. This is an EU SFDR PAI.
The information for (b) shall also be reported for other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites.	The information for (b) shall also be reported for other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites.	[AMENDED] Integrated into [35(b)].
	<u>If the undertaking assesses ESRS S1-6 to be material, it shall include in the information under point (b)(i) and (c) also the cases among the non-employees in its own workforce. Where applicable, it shall break this information down between employees and non-employees.</u>	[NEW] Added to clarify under which conditions S1-13 metrics should include data about non-employees. Replaces the provision in the opening sub-paragraph of [88].
89. The undertaking may also disclose the information specified in points (d) and (e) of paragraph 88 with regard to non-employees.	89. The undertaking may also disclose the information specified in points (d) and (e) of paragraph 88 with regard to non-employees.	[DELETED] Deleted to follow the common EFRAG approach of deleting voluntary datapoints

90. In addition, the undertaking may include the following additional information on the health and safety coverage: the percentage of its own workers covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party.	90. In addition, the undertaking may include the following additional information on the health and safety coverage: the percentage of its own workers covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party.	[DELETED] Deleted to follow the common EFRAG approach deleting the majority of voluntary datapoints
<i>Disclosure Requirement S1-15 – Work-life balance metrics</i> ESRS as enacted in 2023	<i>Disclosure Requirement S1-145 – Work-life balance metrics</i> Draft Amended ESRS	Comment/Rationale
91. The undertaking shall disclose the extent to which employees are entitled to and make use of family-related leave.	91. The undertaking shall disclose the extent to which employees are entitled to and make use of family-related leave.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
92. The objective of this Disclosure Requirement is to provide an understanding of the entitlement and actual practices amongst the employees to take family-related leave in a gender equitable manner, as it is one of the dimensions of work-life balance.	<u>3792.</u> The objective of this Disclosure Requirement DR is to enable provide an understanding of the entitlement and actual practices amongst the of the undertaking's employees to take family-related leave, in a gender equitable manner, as it is one of the dimensions of work-life balance. which includes maternity leave, paternity leave, parental leave and carers' leave.	[UNCHANGED] Additional clarification added on the scope of family-related leave, which includes (as per the definition in the glossary) maternity, paternity, parental and carers' leave.
93. The disclosure required by paragraph 91 shall include:	93. The disclosure required by paragraph 91 shall include:	[UNCHANGED] Editorial change, addressed in new [38].
(a) the percentage of employees entitled to take family-related leave; and	<u>38(a).</u> The undertaking shall disclose the percentage of employees entitled to take family-related leave; and during the reporting period.	[UNCHANGED] Editorial clarification added.
(b) the percentage of entitled employees that took family-related leave, and a breakdown by gender.	(b) the percentage of entitled employees that took family-related leave, and a breakdown by gender.	[DELETED] Deleted to reduce granularity in line with simplification.

94. If all of the undertaking's employees are entitled to family-related leave through social policy and/or collective bargaining agreements, it is sufficient to disclose this in order to meet the requirement of paragraph 93a.	94. If all of the undertaking's employees are entitled to family-related leave through social policy and/or collective bargaining agreements, it is sufficient to disclose this in order to meet the requirement of paragraph 93a.	[MOVED] Moved to [AR 29].
<i>Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)</i>	<i>Disclosure Requirement S1-156 – Remuneration metrics (pay gap and total remuneration)</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
95. The undertaking shall disclose the percentage gap in pay between its female and male employees and the ratio between the remuneration of its highest paid individual and the median remuneration for its employees.	95. The undertaking shall disclose the percentage gap in pay between its female and male employees and the ratio between the remuneration of its highest paid individual and the median remuneration for its employees.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.
96. The objective of this Disclosure Requirement is twofold: to allow an understanding of the extent of any gap in the pay between women and men amongst the undertaking's employees; and to provide insight into the level of remuneration inequality inside the undertaking and whether wide pay disparities exist.	3996. The objective of this Disclosure Requirement DR is twofold: to enable allow an understanding of the extent of the any gap in the pay between women and men amongst the undertaking's employees; and to provide insight into of the level of remuneration inequality inside within the undertaking and whether wide pay disparities exist.	[UNCHANGED] Editorial changes were made to enhance clarity.
97. The disclosure required by paragraph 95 shall include:	4097. The undertaking disclosure required by paragraph 95 shall include disclose:	[UNCHANGED] Editorial amendments were made to enhance clarity.
(a) the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees (97);	(a) the gender pay gap, defined as the difference of in average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees; ⁷ and	[UNCHANGED] Editorial amendments.
(b) the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) (98); and	(b) the annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual); ⁸ and	[UNCHANGED] Editorial amendment.
c) where applicable, any contextual information necessary to understand the data and how the data has been compiled and other changes to the underlying data that are to be considered.	c) where applicable, any contextual information necessary to understand the data and how the data has been compiled and other changes to the underlying data that are to be considered	[DELETED] Contextual information according to [GDR-M] addressed in [AR 34].

98. The undertaking may disclose a breakdown of the gender pay gap as defined in paragraph 97(a) by employee category and/or by country/segment. The undertaking may also disclose the gender pay gap between employees by categories of employees broken down by ordinary basic salary and complementary or variable components.	98. The undertaking may disclose a breakdown of the gender pay gap as defined in paragraph 97(a) by employee category and/or by country/segment. The undertaking may also disclose the gender pay gap between employees by categories of employees broken down by ordinary basic salary and complementary or variable components.	[DELETED] Deleted to follow the EFRAG decision to review and delete voluntary datapoints.
99. In relation to paragraph 97 (b), the undertaking may report this figure adjusted for purchasing power differences between countries, in which case it shall report the methodology used for the calculation.	99. In relation to paragraph 97 (b), the undertaking may report this figure adjusted for purchasing power differences between countries, in which case it shall report the methodology used for the calculation.	[DELETED] Deleted to follow the EFRAG decision to review and delete all the voluntary datapoints.
<i>Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts</i>	<i>Disclosure Requirement S1-167 – Incidents of discrimination, complaints and other severe human rights incidents impacts</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
		Overall comment: this DR and relevant AR have been simplified and clarified, with less granular reporting requirements and streamlined in line with input received from information gathering and EFRAG decision. The focus of this DR is now exclusively on human rights incidents and incidents of discrimination with definition of such incidents and the filtering process to identify such incidents to be disclosed clarified in new ARs.
100. The undertaking shall disclose the number of work-related incidents and/or complaints and severe human rights impacts within its own workforce, and any related material fines, sanctions or compensation for the reporting period.	100. The undertaking shall disclose the number of work-related incidents and/or complaints and severe human rights impacts within its own workforce, and any related material fines, sanctions or compensation for the reporting period.	[DELETED] Deleted in accordance with the EFRAG decision to delete the introductory paragraphs.

<p>101. The objective of this Disclosure Requirement is to allow an understanding of the extent to which work-related incidents and severe cases of human rights impacts are affecting its own workforce.</p>	<p><u>41</u> <u>101</u>. The objective of this Disclosure Requirement <u>DR</u> is to allow an understanding of the extent to which <u>work-related incidents of discrimination and other and severe cases of human rights incidents impacts</u> are affecting <u>the undertaking's its own workforce</u>.</p>	<p>[UNCHANGED] Editorial changes to reflect changes across this disclosure requirement.</p>
<p>102. The disclosure required by paragraph 100 shall include, subject to the relevant privacy regulations, work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.</p>	<p>102. The disclosure required by paragraph 100 shall include, subject to the relevant privacy regulations, work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.</p>	<p>[AMENDED] Removed reference to work-related incidents and placed the focus of this datapoint on incidents of discrimination as per new [42](a). Definition of incidents of discrimination now provided in new [AR 37] as well as in glossary.</p>
<p>103. The undertaking shall disclose:</p>	<p><u>42</u> <u>103</u>. The undertaking shall disclose:</p>	<p>[AMENDED] Focus of this datapoint on incidents of discrimination as per new [42](a). Definition of incidents of discrimination now provided in new [AR 37] as well as in glossary. Overall, clarification of what qualify as such incidents in [AR 37, 38], with these ARs acting as a filtering process on incidents to be disclosed. Changes when required for simplification and streamlining based on EFRAG decision.</p>

	<p>a) the total number of incidents of discrimination, including harassment, reported in the reporting period (99);</p> <p>(a) <u>subject to relevant privacy regulations, the total number of incidents of discrimination at work on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination</u>, including harassment, <u>reported identified</u> in the reporting period;⁹</p>	<p>[Amended]</p> <p>Focus of this datapoint on incidents of discrimination as per new [42](a). Definition of incidents of discrimination now provided in new [AR 37] as well as in glossary.</p> <p>Overall, clarification of what qualify as such incidents in [AR 37, 38], with these ARs acting as a filtering process on incidents to be disclosed.</p> <p>Changes when required for simplification and streamlining based on EFRAG decision.</p>
<p>b) the number of complaints filed through channels for people in the undertaking’s own workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECD Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above;</p>	<p>b) the number of complaints filed through channels for people in the undertaking’s own workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECD Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above;</p>	<p>[MOVED]</p> <p>Reference to NCP is included in new [AR 36 and AR 37].</p> <p>[DELETION]</p> <p>The remaining text was deleted in line with input received from public input and information gathering.</p>

c) the total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements; and	(c) the total amount of fines, penalties, and compensation for damages <u>recognised during the reporting period in the financial statements as a result of the for incidents of discrimination and other human rights incidents, and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements; and</u>	[AMENDED] Reference to reconciliation included in [AR 41].
d) where applicable, contextual information necessary to understand the data and how such data has been compiled.	d) where applicable, contextual information necessary to understand the data and how such data has been compiled.	[MOVED] Moved to [AR 39] with amendments.
104. The undertaking shall disclose the following information regarding identified cases of severe human rights incidents (e.g., forced labour, human trafficking or child labour):	104. The undertaking shall disclose the following information regarding identified cases of severe human rights incidents (e.g., forced labour, human trafficking or child labour):	[MOVED] Scope of human rights incidents now in [AR 37].
(a) the number of severe human rights incidents connected to the undertaking's workforce in the reporting period, including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the undertaking shall state this (100); and	b) (a) <u>subject to relevant privacy regulations, the number of severe human rights incidents connected to the undertaking's its own workforce identified in the reporting period, excluding those that relate to discrimination, which are reported according to paragraph 42 (a);</u>¹⁰ including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the undertaking shall state this (100); and	[AMENDED] Simplified with focus on incidents only and clarification of what qualify as such incidents in [AR 36, 38], with these ARs acting as a filtering process on incidents to be disclosed. Removed reference to "severe" human rights incidents as significant amount of feedback received explained this was not aligned with the concept of severity used in international standards (UNGPs, OECD MNE) and also not aligned with how the concept was used across ESRS with regard to impact materiality. Created a new filter within new

		[AR 38] referring to the severity of the impacts.
(b) the total amount of fines, penalties and compensation for damages for the incidents described in (a) above, and a reconciliation of the monetary amounts disclosed in the most relevant amount in the financial statements.	<p>(b) the total amount of fines, penalties and compensation for damages for the incidents described in (a) above, and a reconciliation of the monetary amounts disclosed in the most relevant amount in the financial statements.</p> <p><u>The incidents from the sub-paragraph above relate to sub-topics to be reported following the materiality assessment.</u></p>	<p>[AMENDED, MOVED]</p> <p>Reference to financial statements and reconciliation amended and moved to [AR 41].</p> <p>Clarification added that incidents to be reported are those considered as material as per materiality assessment. More information is provided on how to further filter the incidents to be disclosed in new [AR 38] in relation to the materiality of information with its assessment to be based primarily on the severity of the impacts.</p>

Appendix A
Application Requirements

Objective	Objective	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 1. In addition to the issues listed in paragraph 2, the undertaking may also consider disclosing information about other issues relevant to a material impact for a shorter period of time, for instance initiatives regarding the health and safety of its own workforce during a pandemic.	AR 1. In addition to the issues listed in paragraph 2, the undertaking may also consider disclosing information about other issues relevant to a material impact for a shorter period of time, for instance initiatives regarding the health and safety of its own workforce during a pandemic.	[DELETED] Deleted for simplification based on EFRAG decision and information gathering input.
AR 2. The overview of social matters provided in paragraph 2 is not meant to imply that all of these issues should be reported on in each Disclosure Requirement in this Standard. Rather,	AR 2. The overview of social matters provided in paragraph 2 is not meant to imply that all of these issues should be reported on in each Disclosure Requirement in this Standard. Rather, they provide a list of	[DELETED]

they provide a list of matters derived from the sustainability reporting requirements set out in Directive 2013/34/EU that the undertaking shall consider for the ESRS 2 materiality assessment related to its own workforce and, as appropriate, report as material impacts, risks and opportunities within the scope of this Standard.	matters derived from the sustainability reporting requirements set out in Directive 2013/34/EU that the undertaking shall consider for the ESRS 2 materiality assessment related to its own workforce and, as appropriate, report as material impacts, risks and opportunities within the scope of this Standard.	This concept is captured in ESRS 1.
AR 3. Examples of people that fall within the scope of "Own workforce" are:	AR 3. Examples of people that fall within the scope of "Own workforce" are:	[AMENDED] Moved to new [7].
(a) Examples of contractors (self-employed persons) in the undertaking's own workforce include: i. Contractors hired by the undertaking to perform work that would otherwise be carried out by an employee ii. Contractors hired by the undertaking to perform work in a public area (e.g., on a road, on the street). iii. Contractors hired by the undertaking to deliver the work/service directly at the workplace of a client of the undertaking.	(a) Examples of contractors (self-employed persons) in the undertaking's own workforce include: i. Contractors hired by the undertaking to perform work that would otherwise be carried out by an employee ii. Contractors hired by the undertaking to perform work in a public area (e.g., on a road, on the street). iii. Contractors hired by the undertaking to deliver the work/service directly at the workplace of a client of the undertaking.	[AMENDED] Moved to new [7].
(b) Examples of people employed by a third party engaged in 'employment activities' include people who perform the same work that employees carry out, such as: i. people who fill in for employees who are temporarily absent (due to illness, holiday, parental leave, etc.); ii. people performing work additional to regular employees; iii. people who are dispatched temporarily from another EU member state to work for the undertaking ('posted workers').	(b) Examples of people employed by a third party engaged in 'employment activities' include people who perform the same work that employees carry out, such as: i. people who fill in for employees who are temporarily absent (due to illness, holiday, parental leave, etc.); ii. people performing work additional to regular employees; iii. people who are dispatched temporarily from another EU member state to work for the undertaking ('posted workers').	[AMENDED] Moved to new [7].

ESRS 2 General Disclosures

Strategy

<i>Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders</i>	<i>Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 4. ESRS 2 SBM-2 requires the undertaking to provide an understanding of whether and how it considers the role that its strategy and business model may play in creating, exacerbating or mitigating significant material impacts on its own workforce , and whether and how the business model and strategy are adapted to address such material impacts.	AR 4. ESRS 2 SBM-2 requires the undertaking to provide an understanding of whether and how it considers the role that its strategy and business model may play in creating, exacerbating or mitigating significant material impacts on its own workforce , and whether and how the business model and strategy are adapted to address such material impacts.	[DELETED] Deleted in line with simplification based on EFRAG decision and information gathering input.
AR 5. While the undertaking's own workforce may not be engaging with the undertaking at the level of its strategy or business model , their views can inform the undertaking's assessment of its strategy and business model. The undertaking shall consider the views of workers' representatives when applicable to fulfil this disclosure.	AR 5. While the undertaking's own workforce may not be engaging with the undertaking at the level of its strategy or business model , their views can inform the undertaking's assessment of its strategy and business model. The undertaking shall consider the views of workers' representatives when applicable to fulfil this disclosure.	[DELETED] Deleted in line with simplification based on EFRAG decision and information gathering input.
<i>Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model</i>	<i>Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 6. Impacts on the undertaking's own workforce can originate in its strategy or business model in a number of different ways. For example, impacts may relate to the undertaking's value proposition (such as providing lowest cost products or services, or high-speed delivery, in ways that put pressure on labour rights in its own operations), or its cost structure and the revenue model (such as shifting inventory risk to suppliers , with knock-on effects on the labour rights of people who work for them).	AR 6. Impacts on the undertaking's own workforce can originate in its strategy or business model in a number of different ways. For example, impacts may relate to the undertaking's value proposition (such as providing lowest cost products or services, or high-speed delivery, in ways that put pressure on labour rights in its own operations), or its cost structure and the revenue model (such as shifting inventory risk to suppliers , with knock-on effects on the labour rights of people who work for them).	[DELETED] Deleted in line with simplification based on EFRAG decision and information gathering input.
AR 7. Impacts on the undertaking's own workforce that originate in the strategy or business model can also bring material risks to the undertaking. For example, risks arise if some people in the workforce are at risk of forced labour , and	AR 7. Impacts on the undertaking's own workforce that originate in the strategy or business model can also bring material risks to the undertaking. For example, risks arise if some people in the workforce are at risk of forced labour , and the undertaking is importing products	[DELETED]

<p>the undertaking is importing products into countries where the law allows for the confiscation of imported goods that are suspected of being made with forced labour. An example of opportunities for the undertaking may result from providing opportunities for the workforce such as job creation and upskilling in the context of a “just transition”. Another example, in the context of a pandemic or other severe health crisis, relates to the undertaking potentially relying on contingent labour with little to no access to sick care and health benefits that may face severe operational and business continuity risks as workers have no choice but to keep working while sick, further exacerbating the spread of the disease and causing major supply chain breakdowns. Reputational and business opportunity risks linked to the exploitation of low-skilled, low-paid workers in sourcing geographies with minimal protections for them are also increasing with media backlash and consumer preferences moving to more ethically sourced or sustainable goods.</p>	<p>into countries where the law allows for the confiscation of imported goods that are suspected of being made with forced labour. An example of opportunities for the undertaking may result from providing opportunities for the workforce such as job creation and upskilling in the context of a “just transition”. Another example, in the context of a pandemic or other severe health crisis, relates to the undertaking potentially relying on contingent labour with little to no access to sick care and health benefits that may face severe operational and business continuity risks as workers have no choice but to keep working while sick, further exacerbating the spread of the disease and causing major supply chain breakdowns. Reputational and business opportunity risks linked to the exploitation of low-skilled, low-paid workers in sourcing geographies with minimal protections for them are also increasing with media backlash and consumer preferences moving to more ethically sourced or sustainable goods.</p>	<p>Deleted in line with simplification based on EFRAG decision and information gathering input.</p>
<p>AR 8. Examples of particular characteristics of people in the undertaking’s own workforce that may be considered by the undertaking when responding to paragraph 15 relate to young people that may be more susceptible to impacts on their physical and mental development, or women in a context where women are routinely discriminated against in the terms and conditions of work, or migrants in a context where the market for the supply of labour is poorly regulated and workers are routinely charged recruitment fees. For some people in the workforce, the inherent nature of the activity that they are required to undertake may put them at risk (for example, people required to handle chemicals or operate certain equipment or low paid employees who are on “zero hours” contracts).</p>	<p>AR 8. Examples of particular characteristics of people in the undertaking’s own workforce that may be considered by the undertaking when responding to paragraph 15 relate to young people that may be more susceptible to impacts on their physical and mental development, or women in a context where women are routinely discriminated against in the terms and conditions of work, or migrants in a context where the market for the supply of labour is poorly regulated and workers are routinely charged recruitment fees. For some people in the workforce, the inherent nature of the activity that they are required to undertake may put them at risk (for example, people required to handle chemicals or operate certain equipment or low paid employees who are on “zero hours” contracts).</p>	<p>[DELETED]</p> <p>Deleted in line with simplification based on EFRAG decision and information gathering input.</p>
<p>AR 9. With regard to paragraph 16, material risks could also arise because of the undertaking’s dependency on its own workforce where low-likelihood but high-impact events may</p>	<p>AR 9. With regard to paragraph 16, material risks could also arise because of the undertaking’s dependency on its own workforce where low-likelihood but high-impact events may trigger financial effects; for</p>	<p>[DELETED]</p>

<p>trigger financial effects; for example, where a global pandemic leads to severe health impacts on the undertaking's workforce resulting in major disruptions to production and distribution. Other examples of risk related to the undertaking's dependency on its workforce include a shortage in skilled workers or political decisions or legislation affecting its own operations and own workforce .</p>	<p>example, where a global pandemic leads to severe health impacts on the undertaking's workforce resulting in major disruptions to production and distribution. Other examples of risk related to the undertaking's dependency on its workforce include a shortage in skilled workers or political decisions or legislation affecting its own operations and own workforce .</p>	<p>Deleted in line with simplification based on EFRAG decision and information gathering input.</p>
<i>Impacts, risks and opportunities management</i>		
<p>Disclosure Requirement S1-1 – Policies related to own workforce</p>	<p>Disclosure Requirement S1-1 – Policies related to own workforce</p>	Comment/Rationale
<p>ESRS as enacted in 2023</p>	<p>Draft Amended ESRS</p>	
<p>AR 10. The undertaking shall consider whether explanations of significant changes to the policies adopted during the reporting year (for example, new expectations for foreign subsidiaries, new or additional approaches to due diligence and remedy) provide contextual information for users and may disclose such explanations. This includes policies and commitments of the undertaking to prevent or mitigate the risks and negative impacts on people in its own workforce of reducing carbon emissions and transitioning to greener and climate-neutral operations as well as to provide opportunities for the workforce such as job creation and upskilling, including explicit commitments to a 'just transition'.</p>	<p>AR 10. The undertaking shall consider whether explanations of significant changes to the policies adopted during the reporting year (for example, new expectations for foreign subsidiaries, new or additional approaches to due diligence and remedy) provide contextual information for users and may disclose such explanations. This includes policies and commitments of the undertaking to prevent or mitigate the risks and negative impacts on people in its own workforce of reducing carbon emissions and transitioning to greener and climate-neutral operations as well as to provide opportunities for the workforce such as job creation and upskilling, including explicit commitments to a 'just transition'.</p>	<p>[DELETED]</p> <p>First part deleted in line with simplification. Second part has been deleted and might be considered by EFRAG as future non mandatory guidance.</p>
<p>AR 11. The policy may take the form of a stand-alone policy regarding the undertaking's own workforce or be included in a broader document such as a code of ethics or a general sustainability policy that has already been disclosed by the undertaking as part of another ESRS. In those cases, the undertaking shall provide an accurate cross-reference to identify the aspects of the policy that satisfy the requirements of this Disclosure Requirement.</p>	<p>AR 11. The policy may take the form of a stand-alone policy regarding the undertaking's own workforce or be included in a broader document such as a code of ethics or a general sustainability policy that has already been disclosed by the undertaking as part of another ESRS. In those cases, the undertaking shall provide an accurate cross-reference to identify the aspects of the policy that satisfy the requirements of this Disclosure Requirement.</p>	<p>[DELETED]</p> <p>Deleted in line with simplification as 'policy' already defined in Glossary.</p>
<p>AR 12. When disclosing the alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to</p>	<p>AR 12. When disclosing the alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to the International Bill of Human</p>	<p>[MOVED]</p> <p>Moved to ESRS 2 [GDR-P] [AR 35]</p>

<p>the International Bill of Human Rights, which consist of the Universal Declaration of Human Rights and the two Covenants that implement it, as well as the International Labour Organisation's Declaration on Fundamental Rights and Principles at Work and the core conventions that underpin it, and may report on alignment with these instruments.</p>	<p>Rights, which consist of the Universal Declaration of Human Rights and the two Covenants that implement it, as well as the International Labour Organisation's Declaration on Fundamental Rights and Principles at Work and the core conventions that underpin it, and may report on alignment with these instruments.</p>	
<p>AR 13. When explaining how external-facing policies are embedded, the undertaking may, for example, consider internal policies of responsible sourcing, and alignment with other policies relevant to own workers, for example, regarding forced labour. With regard to supplier codes of conduct that the undertaking may have, it shall indicate whether they include provisions addressing the safety of workers, precarious work (i.e., use of workers on short-term or limited hours contracts, workers employed via third parties, sub-contracting to third parties or use of informal workers), human trafficking, the use of forced labour or child labour, and whether such provisions are fully in line with applicable ILO standards.</p>	<p>AR 13. When explaining how external-facing policies are embedded, the undertaking may, for example, consider internal policies of responsible sourcing, and alignment with other policies relevant to own workers, for example, regarding forced labour. With regard to supplier codes of conduct that the undertaking may have, it shall indicate whether they include provisions addressing the safety of workers, precarious work (i.e., use of workers on short-term or limited hours contracts, workers employed via third parties, sub-contracting to third parties or use of informal workers), human trafficking, the use of forced labour or child labour, and whether such provisions are fully in line with applicable ILO standards.</p>	<p>[DELETED]</p> <p>Deleted in line with simplification decision of EFRAG.</p>
<p>AR 14. The undertaking may provide an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees, contractors and suppliers), or because they have a direct interest in their implementation (for example, people in its own workforce, investors). It may disclose communication tools and channels (for example, flyers, newsletters, dedicated websites, social media, face to face interactions, workers' representatives), aimed at ensuring that the policy is accessible and that different audiences understand its implications. The undertaking may also explain how it identifies and removes potential barriers for dissemination, such as through translation into relevant languages or the use of graphic depictions.</p>	<p>AR 14. The undertaking may provide an illustration of the types of communication of Examples of policy aspects to disclose are the means of communication the undertaking uses to communicate its policies to those the individuals, groups of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees, contractors and suppliers), or because they have a direct interest in their implementation (for example, people in its own workforce, investors) It may disclose communication tools and channels (for example, flyers, newsletters, dedicated websites, social media, face to face interactions, workers' representatives), aimed at ensuring that the policy is accessible and that different audiences understand its implications. The undertaking may also explain how it identifies and removes potential barriers for dissemination, such as through translation into relevant languages or the use of graphic depictions.</p>	<p>[AMENDED]</p> <p>Key concepts moved to ESRS S1-1 [AR 9]</p>
<p>AR 15. Discrimination in employment and occupation occurs when someone is treated differently or less favorably because</p>	<p>AR 15. Discrimination in employment and occupation occurs when someone is treated differently or less favorably because of</p>	<p>[DELETED]</p>

<p>of characteristics that are not related to merit or the inherent requirements of the job. These characteristics are commonly defined in national laws. Besides the grounds mentioned in the Disclosure Requirement, the undertaking shall consider other grounds for discrimination prohibited under national legislation.</p>	<p>characteristics that are not related to merit or the inherent requirements of the job. These characteristics are commonly defined in national laws. Besides the grounds mentioned in the Disclosure Requirement, the undertaking shall consider other grounds for discrimination prohibited under national legislation.</p>	<p>Deleted and might be considered by EFRAG as future non mandatory guidance.</p>
<p>AR 16. Discrimination can arise in a variety of work-related activities. These include access to employment, particular occupations, training and vocational guidance and social security. Moreover, it can occur with respect to the terms and conditions of employment, such as: recruitment, remuneration, hours of work and rest, paid holidays, maternity protection, security of tenure, job assignments, performance assessment and advancement, training opportunities, promotion prospects, occupational safety and health, termination of employment. The undertaking may address these areas specifically when disclosing its policies and underlying procedures to fulfil the disclosure requirement.</p>	<p>AR 16. Discrimination can arise in a variety of work-related activities. These include access to employment, particular occupations, training and vocational guidance and social security. Moreover, it can occur with respect to the terms and conditions of employment, such as: recruitment, remuneration, hours of work and rest, paid holidays, maternity protection, security of tenure, job assignments, performance assessment and advancement, training opportunities, promotion prospects, occupational safety and health, termination of employment. The undertaking may address these areas specifically when disclosing its policies and underlying procedures to fulfil the disclosure requirement.</p>	<p>[DELETED]</p> <p>Deleted and might be considered by EFRAG as future non mandatory guidance.</p> <p>Deletion was part of efforts to simplify and streamline requirements and enhance the guidance in line with findings from information gathering and EFRAG decision.</p>
<p>AR 17. The undertaking may disclose whether it:</p>	<p>AR 17. The undertaking may disclose whether it:</p>	<p>[DELETED]</p>
<p>(a) has policies and procedures which make qualifications, skills and experience the basis for the recruitment, placement, training and advancement at all levels, while accounting for the fact that some individuals may have more difficulty than others to acquire such qualifications, skills and experience;</p>	<p>(a) has policies and procedures which make qualifications, skills and experience the basis for the recruitment, placement, training and advancement at all levels, while accounting for the fact that some individuals may have more difficulty than others to acquire such qualifications, skills and experience;</p>	<p>[DELETED]</p> <p>The disclosures items in AR 17 have been deleted because some overlap with other disclosures, or because they were too prescriptive, in line with EFRAG decision.</p>
<p>(b) assigns responsibility at top management level for equal treatment and opportunities in employment, issue clear company-wide policies and procedures to guide equal employment practices, and link advancement to desired performance in this area;</p>	<p>(b) assigns responsibility at top management level for equal treatment and opportunities in employment, issue clear company-wide policies and procedures to guide equal employment practices, and link advancement to desired performance in this area;</p>	<p>[DELETED]</p> <p>Deemed not essential in line with simplification.</p>

(c) provides staff training on non-discrimination policies and practices, with a particular focus on middle and upper management to raise awareness and address resolution strategies for preventing and addressing systemic and incidental discrimination;	(c) provides staff training on non-discrimination policies and practices, with a particular focus on middle and upper management to raise awareness and address resolution strategies for preventing and addressing systemic and incidental discrimination;	[DELETED] Deleted and might be considered by EFRAG as future non mandatory guidance.
(d) makes adjustments to the physical environment to ensure health and safety for workers, customers and other visitors with disabilities;	(d) makes adjustments to the physical environment to ensure health and safety for workers, customers and other visitors with disabilities;	[DELETED] Deemed not essential in line with simplification decision of EFRAG.
(e) evaluates whether job requirements have been defined in a way that could systematically disadvantage certain groups;	(e) evaluates whether job requirements have been defined in a way that could systematically disadvantage certain groups;	[DELETED] Deemed too descriptive in line with simplification decision of EFRAG.
(f) keeps up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the undertaking;	(f) keeps up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the undertaking;	[DELETED] Deemed too descriptive in line with simplification decision of EFRAG.
(g) puts in place grievance procedures to address complaints, handle appeals and provide recourse for employees (especially in the context of negotiations and collective agreements) when discrimination is identified, and is alert to formal structures and informal cultural issues that can prevent employees from raising concerns and grievances; and	(g) puts in place grievance procedures to address complaints, handle appeals and provide recourse for employees (especially in the context of negotiations and collective agreements) when discrimination is identified, and is alert to formal structures and informal cultural issues that can prevent employees from raising concerns and grievances; and	[DELETED] Overlaps with disclosures in S1-2 (previously S1-3).
(h) has programs to promote access to skills development.	(h) has programs to promote access to skills development.	[DELETED] Overlaps with S1-12 (previously S1-13) Trainings and skills development.
Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	Disclosure Requirement S1-2 – <u>Processes for engaging with own workforce and workers' representatives about impacts</u> <u>Engagement with own workforce and workers' representatives, existence of channels for own workers to raise concerns or needs and approaches to remedy</u>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	

<p>AR 18. When describing what function or role has operational responsibility for such engagement and/or ultimate accountability, the undertaking may disclose whether this is a dedicated role or function or part of a broader role or function, and whether any capacity building activities have been offered to support the staff to undertake engagement. If it cannot identify such a position or function, it may state that this is the case. This disclosure could also be fulfilled by making reference to information disclosed according to ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies.</p>	<p>AR 18. When describing what function or role has operational responsibility for such engagement and/or ultimate accountability, the undertaking may disclose whether this is a dedicated role or function or part of a broader role or function, and whether any capacity building activities have been offered to support the staff to undertake engagement. If it cannot identify such a position or function, it may state that this is the case. This disclosure could also be fulfilled by making reference to information disclosed according to ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies.</p>	<p>[DELETED] Examples and granularity of AR considerations has been removed.</p>
<p>AR 19. When preparing the disclosures described in paragraph 27 b) and c), the following illustrations may be considered:</p>	<p>AR 19. When preparing the disclosures described in paragraph 27 b) and c), the following illustrations may be considered:</p>	<p>[DELETED] Deemed not essential in line with simplification decision of EFRAG.</p>
<p>(a) examples of stages at which engagement occurs are i) determining the approach to mitigation and ii) evaluating the effectiveness of mitigation;</p>	<p>(a) examples of stages at which engagement occurs are i) determining the approach to mitigation and ii) evaluating the effectiveness of mitigation;</p>	<p>[DELETED] Deemed not essential in line with simplification decision of EFRAG.</p>
<p>(b) for type of engagement, these could be participation, consultation and/or information;</p>	<p>AR 2.-(b) for type of engagement with the undertaking's own workforce can take different forms, such as information sessions, consultation or participation, and take place at different intervals., these could be participation, consultation and/or information;</p>	<p>[AMENDED] Moved to [AR 2].</p>
<p>(c) for the frequency of the engagement, information may be provided on whether engagement occurs on a regular basis, at certain points in a project or business process, (for example, when a new harvest season begins or a new production line is opened), as well as whether it occurs in response to legal requirements and/or in response to stakeholder requests and whether the result of the engagement is being integrated into the undertaking's decision-making processes; and</p>	<p>(c) for the frequency of the engagement, information may be provided on whether engagement occurs on a regular basis, at certain points in a project or business process, (for example, when a new harvest season begins or a new production line is opened), as well as whether it occurs in response to legal requirements and/or in response to stakeholder requests and whether the result of the engagement is being integrated into the undertaking's decision-making processes; and</p>	<p>[AMENDED] Reference to the engagement taking place at different intervals in new [AR 2].</p>

(d) for the role with operational responsibility, whether the undertaking requires relevant staff to have certain skills, or whether it provides training or capacity building to relevant staff to undertake engagement.	(d) for the role with operational responsibility, whether the undertaking requires relevant staff to have certain skills, or whether it provides training or capacity building to relevant staff to undertake engagement.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 20. Global Framework Agreements (GFA) serve to establish an ongoing relationship between a multinational enterprise and a Global Union Federation to ensure that the undertaking adheres to the same standards in every country in which it operates.	AR 20. Global Framework Agreements (GFA) serve to establish an ongoing relationship between a multinational enterprise and a Global Union Federation to ensure that the undertaking adheres to the same standards in every country in which it operates.	[MOVED] The definition was agreed and moved to glossary.
AR 21. To illustrate how the perspectives of its own workforce have informed specific decisions or activities, the undertaking may provide examples from the current reporting period.	AR 21. To illustrate how the perspectives of its own workforce have informed specific decisions or activities, the undertaking may provide examples from the current reporting period.	[DELETED] Deemed not essential in line with simplification decision of EFRAG.
AR 22. Where the undertaking has agreements with national, European or international trade unions or works councils related to the rights of people its own workforce, this can be disclosed to illustrate how the agreement enables the undertaking to gain insight into the perspectives of such people.	AR 22. Where the undertaking has agreements with national, European or international trade unions or works councils related to the rights of people its own workforce, this can be disclosed to illustrate how the agreement enables the undertaking to gain insight into the perspectives of such people.	[DELETED]
AR 23. Where possible, the undertaking may disclose examples from the reporting period to illustrate how the perspectives of its own workforce and workers' representatives have informed specific decisions or activities of the undertaking.	AR 23. Where possible, the undertaking may disclose examples from the reporting period to illustrate how the perspectives of its own workforce and workers' representatives have informed specific decisions or activities of the undertaking.	[DELETED]
AR 24. The undertaking shall consider the following aspects when fulfilling this Disclosure Requirement:	AR 24. The undertaking shall consider the following aspects when fulfilling this Disclosure Requirement:	[DELETED] Deleted as part of the merging of former S1-2 and S1-3.
(a) The type of engagement (for example, information, consultation or participation) and its frequency (for example, ongoing, quarterly, annually);	(a) The type of engagement (for example, information, consultation or participation) and its frequency (for example, ongoing, quarterly, annually);	[AMENDED, MOVED]

		Editorial changes, now reflected in new [AR 2].
(b) how feedback is recorded and integrated into decision-making, and how people in the workforce are informed about the way in which their feedback has influenced decisions;	(b) how feedback is recorded and integrated into decision-making, and how people in the workforce are informed about the way in which their feedback has influenced decisions;	[DELETED]
(c) whether engagement activities take place at the organisational level or at a lower level, such as at the site or project level, and in the latter case, how information from engagement activities is centralised;	(c) whether engagement activities take place at the organisational level or at a lower level, such as at the site or project level, and in the latter case, how information from engagement activities is centralised;	[DELETED]
(d) the resources (for example, financial or human resources) allocated to engagement; and	(d) the resources (for example, financial or human resources) allocated to engagement; and	[DELETED] Deleted as part of the merging of former S1-2 and S1-3 in line with information gathering and EFRAG decisions.
(e) how it engages with people in its workforce and workers' representatives on the impacts on its own workforce that may arise from reducing carbon emissions and transitioning to greener and climate-neutral operations, in particular restructuring, employment loss or creation, training and up/reskilling, gender and social equity, and health and safety.	(e) how it engages with people in its workforce and workers' representatives on the impacts on its own workforce that may arise from reducing carbon emissions and transitioning to greener and climate-neutral operations, in particular restructuring, employment loss or creation, training and up/reskilling, gender and social equity, and health and safety.	[DELETED]
AR 25. The undertaking may also disclose the following information in relation to paragraph 24 on diversity:	AR 25. The undertaking may also disclose the following information in relation to paragraph 24 on diversity:	[DELETED] Deleted as part of the merging of former S1-2 and S1-3 in line with information gathering and EFRAG decisions.
(a) how it engages with at-risk or persons in vulnerable situations (for example whether it takes specific approaches and gives special attention to potential barriers);	(a) how it engages with at-risk or persons in vulnerable situations (for example whether it takes specific approaches and gives special attention to potential barriers);	[DELETED]

		Person in vulnerable situations already included in new [12] (a).
(b) how it takes into account potential barriers to engagement with people in its workforce (for example, language and cultural differences, gender and power imbalances, divisions within a community or group);	(b) how it takes into account potential barriers to engagement with people in its workforce (for example, language and cultural differences, gender and power imbalances, divisions within a community or group);	[DELETED] Deleted as part of the merging of former S1-2 and S1-3 in line with information gathering and EFRAG decisions.
(c) how it provides people in its workforce with information that is understandable and accessible through appropriate communication channels;	(c) how it provides people in its workforce with information that is understandable and accessible through appropriate communication channels;	[DELETED] Elements on assessment of the effectiveness of channels are included in new [13] and criteria for effectiveness are included in [AR 3].
(d) any conflicting interests that have arisen among its workforce and how the undertaking has resolved these conflicting interests; and	(d) any conflicting interests that have arisen among its workforce and how the undertaking has resolved these conflicting interests; and	[DELETED] Deleted as part of the merging of former S1-2 and S1-3 in line with information gathering and EFRAG decisions.
(e) how it seeks to respect the human rights of all stakeholders engaged, for example, their rights to privacy, freedom of expression, and peaceful assembly and protest.	(e) how it seeks to respect the human rights of all stakeholders engaged, for example, their rights to privacy, freedom of expression, and peaceful assembly and protest.	[DELETED] Deleted as part of the merging of former S1-2 and S1-3 in line with information gathering and EFRAG decisions.
AR 26. The undertaking may also report information about the effectiveness of processes for engaging with its own workforce from previous reporting periods. This applies in cases where the undertaking has assessed the effectiveness of these	AR 26. The undertaking may also report information about the effectiveness of processes for engaging with its own workforce from previous reporting periods. This applies in cases where the undertaking has assessed the effectiveness of these processes or derived lessons	[DELETED] Deleted as part of the merging of former S1-2 and S1-3 decided by

processes or derived lessons during the current reporting period. Processes used to track effectiveness can include internal or external auditing or verification, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.	during the current reporting period. Processes used to track effectiveness can include internal or external auditing or verification, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.	EFRAG. Elements on effectiveness for engagement are now included in new S1-3.
<i>Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise concerns</i>	<i>Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise concerns</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 27. In fulfilling the requirements set out by the disclosure criteria of Disclosure Requirement ESRS S1-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct focused on remediation and grievance mechanisms.	AR 27. In fulfilling the requirements set out by the disclosure criteria of Disclosure Requirement ESRS S1-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct focused on remediation and grievance mechanisms.	[MOVED] Moved to ESRS S1-2 [AR 3]
AR 28. Channels for raising concerns or needs include grievance mechanisms, hotlines, trade unions (where people in the workforce are unionised), works councils, dialogue processes or other means through which the undertaking's own workforce or workers' representatives can raise concerns about impacts or explain needs that they would like the undertaking to address. This could include both channels provided by the undertaking directly and channels provided by the entities where their own workforce is working, in addition to any other mechanisms an undertaking may use to gain insight into the management of impacts on its own workforce, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that.	AR 28. Channels for raising concerns or needs include grievance mechanisms, hotlines, trade unions (where people in the workforce are unionised), works councils, dialogue processes, or other means through which the undertaking's own workforce or workers' representatives can raise concerns about impacts or explain needs that they would like the undertaking to address. This could include both channels provided by the undertaking directly and channels provided by the entities where their own workforce is working, in addition to any other mechanisms an undertaking may use to gain insight into the management of impacts on its own workforce, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that. When whistleblowers mechanisms are reported to be used under paragraph 16, relevant information include whether they are limited to breaches of internal rules, including codes of ethics or conduct or the undertaking's workforce to raise wider concerns or needs.	[AMENDED, MOVED] The definition was agreed and moved to glossary. Editorial changes to definition to enhance understanding, reference to whistleblowing mechanisms was clarified as well as articulation between channels to raise concerns or needs and remedies.

<p>AR 29. Third party mechanisms could include those operated by the government, NGOs, industry associations and other collaborative initiatives. The undertaking may disclose whether these are accessible to all of its own workforce (or workers' representatives or, in their absence, individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts).</p>	<p>AR 29. Third party mechanisms could include those operated by the a government, NGOs, industry associations and or other collaborative initiatives. The undertaking may disclose whether these are accessible to all of its own workforce (or workers' representatives or, in their absence, individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts). When such mechanisms are used, disclosure on their effectiveness, as per AR 4, is of particular relevance.</p>	<p>[AMENDED, MOVED] The definition was agreed and moved to glossary.</p>
<p>AR 30. The undertaking shall consider whether and how people in its own workforce that may be affected and their workers' representatives are able to access channels at the level of the undertaking they are employed by, or contracted to work for, in relation to each material impact. Relevant channels may include hotlines, trade unions (where people in the workforce are unionised) or works councils, or other grievance mechanisms operated by the relevant undertaking or by a third party.</p>	<p>AR 30. The undertaking shall consider whether and how people in its own workforce that may be affected and their workers' representatives are able to access channels at the level of the undertaking they are employed by, or contracted to work for, in relation to each material impact. Relevant channels may include hotlines, trade unions (where people in the workforce are unionised) or works councils, or other grievance mechanisms operated by the relevant undertaking or by a third party.</p>	<p>[DELETED] Deleted as part of the merging of former S1-2 and S1-3 in line with information gathering and EFRAG decisions.</p>
<p>AR 31. In explaining whether and how the undertaking knows that people in its own workforce are aware of and trust any of these channels, the undertaking may provide relevant and reliable data about the effectiveness of these channels from the perspective of the people concerned. Examples of sources of information are surveys of people in the undertaking's workforce that have used such channels and their levels of satisfaction with the process and outcomes.</p>	<p>AR 31. In explaining whether and how the undertaking knows that people in its own workforce are aware of and trust any of these channels, the undertaking may provide relevant and reliable data about the effectiveness of these channels from the perspective of the people concerned. Examples of sources of information are surveys of people in the undertaking's workforce that have used such channels and their levels of satisfaction with the process and outcomes.</p>	<p>AMENDED, MOVED] The criteria for assessing the effectiveness of the channels are included in new [AR 3] by way of reference to the "effectiveness criteria for non-judicial grievance mechanisms", as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p>

<p>AR 32. In describing the effectiveness of channels for its own workforce and workers' representatives to raise concerns, the undertaking may be guided by the following questions, based on the "effectiveness criteria for non-judicial grievance mechanisms", as laid out in the UN Guiding Principles on Business and Human Rights, in particular principle 31. The considerations below may be applied to individual channels or to a collective system of channels:</p>	<p><u>AR 3. AR 32. In describing the effectiveness of channels for its own workforce and workers' representatives to raise concerns, the undertaking may be guided by the following questions, based on the "effectiveness criteria for non-judicial grievance mechanisms", as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31, can be used for assessing the effectiveness of the channels. The considerations below may be applied to individual channels or to a collective system of channels:</u></p> <p><u>If the undertaking has policies for protecting individuals that use these channels against retaliation, including workers' representatives, and they are disclosed under ESRS G1-1, the undertaking may refer to that disclosure.</u></p>	<p>[AMENDED]</p> <p>Cross-reference added to G1-1. In line with input from information gathering and EFRAG decision, former [AR 24] was reduced as the criteria for assessing the effectiveness of the channels are included in new [AR 3] by way of reference to the "effectiveness criteria for non-judicial grievance mechanisms", as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p> <p>Former [33] content included and amended.</p>
<p>(a) do the channels have legitimacy by providing appropriate accountability for their fair conduct and building stakeholder trust?</p>	<p>(a) do the channels have legitimacy by providing appropriate accountability for their fair conduct and building stakeholder trust?</p>	<p>[DELETED]</p> <p>The criteria for assessing the effectiveness of the channels are included in new [AR 3] by way of reference to the "effectiveness criteria for non-judicial grievance mechanisms", as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p>

(b) are the channels known and accessible to stakeholders?	(b) are the channels known and accessible to stakeholders?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
(c) do the channels have clear and known procedures, with indicative timeframes?	(c) do the channels have clear and known procedures, with indicative timeframes?	[DELETED] Examples of questions to assess the effectiveness of channels removed
(d) do the channels ensure reasonable access for stakeholders to sources of information, advice and expertise?	(d) do the channels ensure reasonable access for stakeholders to sources of information, advice and expertise?	[DELETED] Examples of questions to assess the effectiveness of channels removed
(e) do the channels offer transparency by providing sufficient information both to complainants and, where applicable, to meet any public interest?	(e) do the channels offer transparency by providing sufficient information both to complainants and, where applicable, to meet any public interest?	[DELETED] Examples of questions to assess the effectiveness of channels removed

(f) do outcomes achieved through the channels accord with internationally recognised human rights?	(f) do outcomes achieved through the channels accord with internationally recognised human rights?	[DELETED] Examples of questions to assess the effectiveness of channels removed
(g) does the undertaking identify insights from the channels that support continuous learning in both improving the channels and preventing future impacts?	(g) does the undertaking identify insights from the channels that support continuous learning in both improving the channels and preventing future impacts?	[DELETED] Examples of questions to assess the effectiveness of channels removed
(h) does the undertaking focus on dialogue with complainants as the means to reach agreed solutions, rather than seeking to unilaterally determine the outcome?	(h) does the undertaking focus on dialogue with complainants as the means to reach agreed solutions, rather than seeking to unilaterally determine the outcome?	[DELETED] Examples of questions to assess the effectiveness of channels removed
<i>Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</i>	<i>Disclosure Requirement S1-3 4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions- Actions and Resources related to own workforce</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 33. It may take time to understand negative impacts and how the undertaking may be involved with them through its own workforce, as well as to identify appropriate responses and put them into practice). Therefore, the undertaking may disclose:	AR 33. It may take time to understand negative impacts and how the undertaking may be involved with them through its own workforce, as well as to identify appropriate responses and put them into practice). Therefore, the undertaking may disclose:	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.

(a) its general and specific approaches to addressing material negative impacts;	(a) its general and specific approaches to addressing material negative impacts;	[DELETED] Duplications with ESRS 2 [GDR-A]
(b) its initiatives aimed at contributing to additional material positive impacts;	(b) its initiatives aimed at contributing to additional material positive impacts;	[DELETED] Duplications with ESRS 2 [GDR-A]
(c) how far it has progressed in its efforts during the reporting period; and	(c) how far it has progressed in its efforts during the reporting period; and	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
(d) its aims for continued improvement.	(d) its aims for continued improvement.	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
AR 34. Appropriate action can vary according to whether the undertaking causes or contributes to a material impact, or whether it is involved because the impact is directly linked to its operations, products or services by a business relationship.	<p><u>AR 4. AR 34. Appropriate action can vary according to whether the undertaking causes or contributes to a material impact, or whether it is involved because the impact is directly linked to its operations, products or services by a business relationship.</u></p> <p><u>The actions taken by the undertaking differ depending on its connection to the impact (causation, contribution, direct linkage) and how it has identified the actions as appropriate for addressing material impacts.</u></p> <p><u>This disclosure requirement also applies to key actions to provide, cooperate in, or enable remediation in cases of actual negative impacts.</u></p> <p><u>Key actions to prevent, mitigate or remediate impacts include the use of different types of leverage and/or collective actions taken through multi-stakeholder and/or industry initiatives.</u></p>	[AMENDED] Consolidated former [AR 34] and [AR 35] into Amended [AR 4]
AR 35. Given that material negative impacts affecting its own workforce that have occurred during the reporting period may also be connected with other entities or operations outside its direct control, the undertaking may disclose whether and how it seeks to use its leverage in its business relationships to manage those impacts. This may include using commercial	AR 35. Given that material negative impacts affecting its own workforce that have occurred during the reporting period may also be connected with other entities or operations outside its direct control, the undertaking may disclose whether and how it seeks to use its leverage in its business relationships to manage those impacts. This may include using commercial leverage (for example, enforcing contractual	[DELETED]

<p>leverage (for example, enforcing contractual requirements with business relationships or implementing incentives), other forms of leverage within the relationship (such as providing training or capacity-building on workers' rights to entities with which the undertaking has a business relationship) or collaborative leverage with peers or other actors (such as initiatives aimed at responsible recruitment or ensuring workers receive an adequate wage).</p>	<p>requirements with business relationships or implementing incentives), other forms of leverage within the relationship (such as providing training or capacity building on workers' rights to entities with which the undertaking has a business relationship) or collaborative leverage with peers or other actors (such as initiatives aimed at responsible recruitment or ensuring workers receive an adequate wage).</p>	<p>The AR has been deleted and might be considered by EFRAG as future non mandatory guidance datapoints and enhance guidance.</p> <p>Partially moved to and amended in [AR 4].</p> <p>Based on EFRAG decision to enhance clarity and remove voluntary datapoints and enhance guidance.</p>
<p>AR 36. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own involvement, is aiming to address the material impact concerned. It may report under ESRS S1-5 the relevant targets set by the initiative and progress towards them.</p>	<p>AR 36. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own involvement, is aiming to address the material impact concerned. It may report under ESRS S1-5 the relevant targets set by the initiative and progress towards them.</p>	<p>[MOVED]</p> <p>Moved to ESRS 2 [GDR-A] [AR 37]. Also mentioned in [AR 4] above.</p>
<p>AR 37. When disclosing whether and how the undertaking considers actual and potential impacts on its own workforce in decisions to terminate business relationships and whether and how it seeks to address any negative impacts that may result from termination, the undertaking may include examples.</p>	<p>AR 37. When disclosing whether and how the undertaking considers actual and potential impacts on its own workforce in decisions to terminate business relationships and whether and how it seeks to address any negative impacts that may result from termination, the undertaking may include examples.</p>	<p>[DELETED]</p> <p>Based on EFRAG decision to enhance clarity and remove voluntary datapoints and enhance guidance.</p>
<p>AR 38. Processes used to track the effectiveness of actions can include internal or external auditing or verification, court proceedings and/or related court decisions, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.</p>	<p>AR 38. Processes used to track the effectiveness of actions can include internal or external auditing or verification, court proceedings and/or related court decisions, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.</p>	<p>[DELETED]</p> <p>Based on EFRAG decision to enhance clarity and remove voluntary datapoints</p>

AR 39. Reporting on effectiveness is aimed at enabling the understanding of the links between actions taken by an undertaking and the effective management of impacts. Additional information that the undertaking may provide includes data showing a decrease in the number of incidents identified.	AR 39. Reporting on effectiveness is aimed at enabling the understanding of the links between actions taken by an undertaking and the effective management of impacts. Additional information that the undertaking may provide includes data showing a decrease in the number of incidents identified.	[DELETED] Relationship about changes in the number of incidents reported and effectiveness of channels and actions described in ESRS S1-16 [AR 39] and [AR 40].
AR 40. With regard to initiatives or processes whose primary aim is to deliver positive impacts for people in the undertaking's own workforce that are based on their needs, and with regard to progress in the implementation of such initiatives or processes, the undertaking may disclose:	AR 40. With regard to initiatives or processes whose primary aim is to deliver positive impacts for people in the undertaking's own workforce that are based on their needs, and with regard to progress in the implementation of such initiatives or processes, the undertaking may disclose:	[DELETED] The AR has been deleted and might be considered by EFRAG as future non mandatory guidance
(a) information about whether and how people in its own workforce and workers' representatives play a role in decisions regarding the design and implementation of these programmes or processes; and	(a) information about whether and how people in its own workforce and workers' representatives play a role in decisions regarding the design and implementation of these programmes or processes; and	[DELETED] The AR has been deleted and might be considered by EFRAG as future non mandatory guidance
(b) information about the intended or achieved positive outcomes for the undertaking's own workforce of these programmes or processes.	(b) information about the intended or achieved positive outcomes for the undertaking's own workforce of these programmes or processes.	[DELETED] The AR has been deleted and might be considered by EFRAG as future non mandatory guidance
AR 41. The undertaking may explain whether any such initiatives are designed also to support the achievement of one or more Sustainable Development Goals. For example, an undertaking committing to SDG 8 to "promote sustained, inclusive and sustainable economic growth, full and productive	AR 41. The undertaking may explain whether any such initiatives are designed also to support the achievement of one or more Sustainable Development Goals. For example, an undertaking committing to SDG 8 to "promote sustained, inclusive and sustainable economic growth, full and productive	[DELETED]

<p>employment and decent work for all" may be actively working towards eliminating forced labour or compulsory labour or supporting higher levels of productivity on activities in developing countries through technological upgrades and training of local labour, which can benefit both the specific people in its own workforce targeted by the actions, and also their local communities.</p>	<p>working towards eliminating forced labour or compulsory labour or supporting higher levels of productivity on activities in developing countries through technological upgrades and training of local labour, which can benefit both the specific people in its own workforce targeted by the actions, and also their local communities.</p>	<p>Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.</p>
<p>AR 42. When disclosing the intended or achieved positive outcomes of its actions for the undertaking's own workforce, a distinction is to be made between evidence of certain activities having occurred (for example, that x number of people have received financial literacy training) from evidence of actual outcomes for the people concerned (for example, that x people report that they are able to better manage their pay and their household budgets).</p>	<p>AR 42. When disclosing the intended or achieved positive outcomes of its actions for the undertaking's own workforce, a distinction is to be made between evidence of certain activities having occurred (for example, that x number of people have received financial literacy training) from evidence of actual outcomes for the people concerned (for example, that x people report that they are able to better manage their pay and their household budgets).</p>	<p>[DELETED]</p> <p>The AR has been deleted and might be considered by EFRAG as future non mandatory guidance</p>
<p>AR 43. If the undertaking has taken measures to mitigate negative impacts on its own workforce that arise from the transition to a greener, climate-neutral economy, such as training and reskilling, employment guarantees, and in the case of downscaling or mass dismissal, measures such as job counselling, coaching, intra-company placements and early retirement plans, the undertaking shall disclose those measures. This includes measures to comply with prevailing regulation. The undertaking may highlight present and/or expected external developments that influence whether dependencies turn into risks. This includes consideration of impacts that may arise from the transition to greener and climate-neutral operations.</p>	<p>AR 5 AR 43. If the undertaking has taken measures shall present its actions in a way that enables users to understand the connections that exist between different topics in accordance with Chapters 3.3 and 9.1 of ESRS 1 General Requirements. This applies to measures taken to mitigate negative impacts on its own workforce that arise from the transition to a greener, low-carbon and climate-neutral resilient economy, such as training and reskilling, employment guarantees, and in the case of For example, downscaling or mass dismissal, may occur when a factory is closed, and this could lead to measures such as job counselling, coaching, intra-company placements and or early retirement plans with an impact on the employees, the undertaking shall disclose those measures. This includes measures to comply with prevailing regulation. The undertaking may highlight present Other examples include, current and/or expected external developments that influence whether dependencies turn into that are sources of just transition risks. This includes consideration of impacts that may arise from the transition to greener and climate neutral operations.</p>	<p>[AMENDED]</p> <p>Editorial amendments were made to enhance clarity in line with information gathering and EFRAG decisions.</p>

AR 44. When disclosing the material risks and opportunities related to its impacts or dependencies on its own workforce, the undertaking may consider the following:	AR 44. When disclosing the material risks and opportunities related to its impacts or dependencies on its own workforce, the undertaking may consider the following:	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
(a) risks related to the undertaking's impacts on its own workforce may include the reputational or legal exposure where people in the undertaking's workforce are found to be subject to forced labour or child labour;	(a) risks related to the undertaking's impacts on its own workforce may include the reputational or legal exposure where people in the undertaking's workforce are found to be subject to forced labour or child labour;	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
(b) risks related to the undertaking's dependencies on its own workforce may include disruption of business operations where significant employee turnover or lack of skills/training development threaten the undertaking's business; and	(b) risks related to the undertaking's dependencies on its own workforce may include disruption of business operations where significant employee turnover or lack of skills/training development threaten the undertaking's business; and	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
(c) opportunities related to the undertaking's impacts on its own workforce may include market differentiation and greater customer appeal from guaranteeing decent pay and conditions for non-employees.	(c) opportunities related to the undertaking's impacts on its own workforce may include market differentiation and greater customer appeal from guaranteeing decent pay and conditions for non-employees.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 45. When explaining whether dependencies turn into risks, the undertaking shall consider external developments.	AR 45. When explaining whether dependencies turn into risks, the undertaking shall consider external developments.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 46. When disclosing policies, actions and resources and targets related to the management of material risks and opportunities, in cases where risks and opportunities arise	AR 46. When disclosing policies, actions and resources and targets related to the management of material risks and opportunities, in cases where risks and opportunities arise from a material impact, the	[DELETED]

from a material impact, the undertaking may cross-reference its disclosures on policies, actions and resources and targets in relation to that impact.	undertaking may cross-reference its disclosures on policies, actions and resources and targets in relation to that impact.	Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 47. The undertaking shall consider whether and how its process(es) to manage material risks related to own workforce are integrated into its existing risk management process(es).	AR 47. The undertaking shall consider whether and how its process(es) to manage material risks related to own workforce are integrated into its existing risk management process(es).	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 48. When disclosing the resources allocated to the management of material impacts, the undertaking may explain which internal functions are involved in managing the impacts and what types of action they take to address negative and advance positive impacts.	AR 48. When disclosing the resources allocated to the management of material impacts, the undertaking may explain which internal functions are involved in managing the impacts and what types of action they take to address negative and advance positive impacts.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
Metrics and Targets		
<i>Disclosure Requirement S1-5 – Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities</i>	<i>Disclosure Requirement S1-45 – Targets related to own workforce managing material impacts, advancing positive impacts, as well as to risks and opportunities</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 49. When disclosing information about targets in accordance with paragraph 46, the undertaking may disclose:	AR 49. When disclosing information about targets in accordance with paragraph 46, the undertaking may disclose:	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
(a) the intended outcomes to be achieved in the lives of a certain number of people in its own workforce;	(a) the intended outcomes to be achieved in the lives of a certain number of people in its own workforce;	[DELETED]

		Content might be considered by EFRAG as future non mandatory guidance.
(b) the stability of the targets over time in terms of definitions and methodologies to enable comparability over time; and/or	(b) the stability of the targets over time in terms of definitions and methodologies to enable comparability over time; and/or	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
(c) the standards or commitments which the targets are based on (for instance codes of conduct, sourcing policies, global frameworks, or industry codes).	(c) the standards or commitments which the targets are based on (for instance codes of conduct, sourcing policies, global frameworks, or industry codes).	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 50. Targets related to risks and opportunities may be the same as or distinct from targets related to impacts. For example, a target to reach adequate wages for non-employees could both reduce impacts on those people and reduce associated risks in terms of the quality and reliability of their output.	AR 50. Targets related to risks and opportunities may be the same as or distinct from targets related to impacts. For example, a target to reach adequate wages for non-employees could both reduce impacts on those people and reduce associated risks in terms of the quality and reliability of their output.	[DELETED] The AR has been deleted and might be considered by EFRAG as future non mandatory guidance
AR 51. The undertaking may also distinguish between short-, medium- and long-term targets covering the same policy commitment. For example, the undertaking may have a long-term target to achieve an 80% reduction in health and safety incidents affecting its delivery drivers by 2030 and a near-term target to reduce the overtime hours of delivery drivers by x% while maintaining their income by 2024.	AR 51. The undertaking may also distinguish between short-, medium- and long term targets covering the same policy commitment. For example, the undertaking may have a long term target to achieve an 80% reduction in health and safety incidents affecting its delivery drivers by 2030 and a near term target to reduce the overtime hours of delivery drivers by x% while maintaining their income by 2024.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.

AR 52. When modifying or replacing a target in the reporting period, the undertaking may explain the change by cross-referencing it to significant changes in the business model or to broader changes in the accepted standard or legislation from which the target is derived to provide contextual information as per ESRS 2 BP-2 Disclosures in relation to specific circumstances.	AR 52. When modifying or replacing a target in the reporting period, the undertaking may explain the change by cross-referencing it to significant changes in the business model or to broader changes in the accepted standard or legislation from which the target is derived to provide contextual information as per ESRS 2 BP-2 Disclosures in relation to specific circumstances.	[DELETED] Granularity removed from the AR.
	AR 6. Engagement with the undertaking's own workforce or workers' representatives can inform the undertaking's tracking and assessment of the effectiveness of its actions disclosed under paragraph 16(b), including the development of metrics, target-setting and/or tracking of performance against those metrics and targets. In particular, in relation to the tracking of performance, such engagement can inform the understanding of the effectiveness of the undertaking's management of material negative impacts and the identification of lessons learnt or improvements.	[AMENDED] [47(b) and (c)] amended. New AR resulting from deleting former DR on engagement in relation to targets and moving some of its content in new [AR 6]. Better connecting the tracking of performance with effectiveness of actions and lessons learnt for improvement.
<i>Disclosure Requirement S1-6 – Characteristics of the Undertaking's Employees</i>	<i>Disclosure Requirement S1-56 – Characteristics of the undertaking's employees</i>	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 53. This Disclosure Requirement covers all employees who perform work for any of the undertaking's entities included in its sustainability reporting.	AR 53. This Disclosure Requirement covers all employees who perform work for any of the undertaking's entities included in its sustainability reporting.	[DELETED] This was deleted based on general EFRAG decision to remove initial explanatory paragraphs.
AR 54. Providing a breakdown of employees by country gives insight into the distribution of activity across countries. The	AR 54. Providing a breakdown of employees by country gives insight into the distribution of activity across countries. The number of employees in	[DELETED]

<p>number of employees in each country is also a key trigger for many information, consultation and participation rights for workers and workers' representatives, both in the Union labour law acquis (for example, Directive 2009/38/EC of the European Parliament and of the Council "European Works Councils Directive" and Directive 2002/14/EC of the European Parliament and of the Council "Information and Consultation Directive") and in national law (for example, rights to establish a works council or to have board level employee representation). Providing a breakdown of employees by gender and type of employment relationship gives insight into gender representation across the undertaking. Additionally, providing a breakdown of employees by region gives insight into regional variations. A region can refer to a country or other geographic locations, such as a region within a country or a world region.</p>	<p>each country is also a key trigger for many information, consultation and participation rights for workers and workers' representatives, both in the Union labour law acquis (for example, Directive 2009/38/EC of the European Parliament and of the Council "European Works Councils Directive" and Directive 2002/14/EC of the European Parliament and of the Council "Information and Consultation Directive") and in national law (for example, rights to establish a works council or to have board level employee representation). Providing a breakdown of employees by gender and type of employment relationship gives insight into gender representation across the undertaking. Additionally, providing a breakdown of employees by region gives insight into regional variations. A region can refer to a country or other geographic locations, such as a region within a country or a world region.</p>	<p>Guidance to the breakdown by country and contract type, deleted to reduce granularity in response to feedback from public outreach input.</p>																														
<p>AR 55. The undertaking shall disclose the requested disclosures in the following tabular formats:</p> <p>Table 1: Template for presenting information on employee head count by gender</p> <table border="1" data-bbox="159 854 698 1251"> <thead> <tr> <th data-bbox="159 854 332 933">Gender</th> <th data-bbox="332 854 698 933">Number of employees (head count)</th> </tr> </thead> <tbody> <tr> <td data-bbox="159 933 332 981">Male</td> <td data-bbox="332 933 698 981"></td> </tr> <tr> <td data-bbox="159 981 332 1029">Female</td> <td data-bbox="332 981 698 1029"></td> </tr> <tr> <td data-bbox="159 1029 332 1076">Other</td> <td data-bbox="332 1029 698 1076"></td> </tr> <tr> <td data-bbox="159 1076 332 1156">Not reported</td> <td data-bbox="332 1076 698 1156"></td> </tr> <tr> <td data-bbox="159 1156 332 1251">Total Employees</td> <td data-bbox="332 1156 698 1251"></td> </tr> </tbody> </table>	Gender	Number of employees (head count)	Male		Female		Other		Not reported		Total Employees		<p><u>AR 9. AR 55.</u> The undertaking shall disclose <u>present</u> the requested disclosures <u>either in a narrative format or</u> in the following tabular formats.:</p> <p><i>Table 1: Template for presenting information on employee headcount by gender</i></p> <table border="1" data-bbox="864 894 1650 1348"> <thead> <tr> <th data-bbox="864 894 1037 997">Gender</th> <th data-bbox="1037 894 1343 997">Number of employees (headcount) - <u>current reporting period</u></th> <th data-bbox="1343 894 1650 997">Number of employees (headcount) - <u>previous reporting period</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="864 997 1037 1044">Male</td> <td data-bbox="1037 997 1343 1044"></td> <td data-bbox="1343 997 1650 1044"></td> </tr> <tr> <td data-bbox="864 1044 1037 1092">Female</td> <td data-bbox="1037 1044 1343 1092"></td> <td data-bbox="1343 1044 1650 1092"></td> </tr> <tr> <td data-bbox="864 1092 1037 1140">Other</td> <td data-bbox="1037 1092 1343 1140"></td> <td data-bbox="1343 1092 1650 1140"></td> </tr> <tr> <td data-bbox="864 1140 1037 1219">Not reported</td> <td data-bbox="1037 1140 1343 1219"></td> <td data-bbox="1343 1140 1650 1219"></td> </tr> <tr> <td data-bbox="864 1219 1037 1348">Total Employees</td> <td data-bbox="1037 1219 1343 1348"></td> <td data-bbox="1343 1219 1650 1348"></td> </tr> </tbody> </table>	Gender	Number of employees (headcount) - <u>current reporting period</u>	Number of employees (headcount) - <u>previous reporting period</u>	Male			Female			Other			Not reported			Total Employees			<p>[AMENDED]</p> <p>Editorial changes reflecting the amendments in new S1-5, added flexibility in using the tabular formats and amendments to allow for multi-year reporting in response to feedback from public outreach input.</p>
Gender	Number of employees (head count)																															
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In some Member States it is possible for persons to legally register themselves as having a third, often neutral, gender, which is categorised as “other” in the table above. However, if the undertaking is disclosing data about employees where this is not possible, it may explain this and indicate that the “other” category is not applicable.

Table 2: Template for presenting employee head count in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees.

Country	Number of employees (head count)
Country A	
Country B	
Country C	
Country D	

Table 3: Template for presenting information on employees by contract type, broken down by gender (head count or FTE) (reporting on full-time and part-time employees is voluntary)

[Reporting period]				
FEMALE	MALE	OTHER*	NOT DISCLOS ED	TOTAL
Number of employees (head count / FTE)				
Number of permanent employees (head count / FTE)				

In some Member States, it is possible for persons to legally register themselves as having a third, often neutral, gender, which is categorised as “other” in the table above. However, if the third gender is not permitted by law, the undertaking is disclosing data about employees where this is not possible, it may explain this and indicate that the “other” category is not applicable.

Table 2: Template for presenting employee headcount in the ten largest countries in terms of number of employees, where the undertaking has at least 50 employees representing at least 10% of its total number of employees.

Country	Number of employees (headcount) - <u>current reporting</u> period	Number of employees (headcount) - <u>previous reporting</u> period
Country A		
Country B		
Country C		
Country D		

AR 10. The undertaking shall present the information either as narrative text or using the following table.

Table 3: Template for presenting information on employees by contract type, broken down by gender (headcount or FTE) (reporting on full-time and part-time employees is voluntary)

[Reporting period]				
FEMALE	MALE	OTHER*	NOT REPORTED	TOTAL

Number of temporary employees (head count / FTE)					Number of employees (head count / FTE)																											
Number of non-guaranteed hours employees (head count / FTE)					Number of permanent employees (headcount / FTE) - <u>Current reporting period</u>																											
Number of full-time employees (head count / FTE)					Number of permanent employees (headcount / FTE) - <u>Previous reporting period</u>																											
Number of part-time employees (head count / FTE)					Number of temporary employees (headcount / FTE) - <u>Current reporting period</u>																											
* Gender as specified by the employees themselves.																																
Table 4: Template for presenting information on employees by contract type, broken down by region (head count or FTE) (reporting on full-time and part-time employees is voluntary)																																
<table border="1"> <thead> <tr> <th colspan="3">[Reporting period]</th> </tr> <tr> <th>REGION A</th> <th>REGION B</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td colspan="3">Number of employees (head count / FTE)</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td colspan="3">Number of permanent employees (head count / FTE)</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td colspan="3">Number of temporary employees (head count / FTE)</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>									[Reporting period]			REGION A	REGION B	TOTAL	Number of employees (head count / FTE)						Number of permanent employees (head count / FTE)						Number of temporary employees (head count / FTE)					
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<p>* In some Member States, it is possible for persons to legally register as having a third gender, which is categorised as 'other' in the table above. However, if the third gender is not permitted by law, the undertaking, may explain this and indicate that the 'other' category is not applicable.</p>																																

<table border="1"> <tr> <td colspan="3">Number of non-guaranteed hours employees (head count / FTE)</td></tr> <tr> <td></td><td></td><td></td></tr> <tr> <td colspan="3">Number of full-time employees (head count / FTE)</td></tr> <tr> <td></td><td></td><td></td></tr> <tr> <td colspan="3">Number of part-time employees (head count / FTE)</td></tr> <tr> <td></td><td></td><td></td></tr> </table>	Number of non-guaranteed hours employees (head count / FTE)						Number of full-time employees (head count / FTE)						Number of part-time employees (head count / FTE)						<p><u>In some countries, non-guaranteed hours contracts may be considered permanent or temporary contracts in accordance with national legislation.</u></p> <p>* Gender as specified by the employees themselves.</p> <p><u>Table 4: Template for presenting information on employees by contract type, broken down by region (head count or FTE) (reporting on full-time and part time employees is voluntary)</u></p>	
Number of non-guaranteed hours employees (head count / FTE)																				
Number of full-time employees (head count / FTE)																				
Number of part-time employees (head count / FTE)																				
<p>AR 56. The definitions of permanent, temporary, non-guaranteed hours, full-time, and part-time employees differ between countries. If the undertaking has employees in more than one country, it shall use the definitions as per the national laws of the countries where the employees are based to calculate country-level data. The country-level data shall then be added up to calculate total numbers, disregarding differences in national legal definitions. Non-guaranteed hours employees are employed by the undertaking without a guarantee of a minimum or fixed number of working hours. The employee may need to make themselves available for work as required, but the undertaking is not contractually obliged to offer the employee a minimum or fixed number of working hours per day, week, or month. Casual employees, employees with zero hour contracts, and on-call employees are examples that fall under this category.</p>	<p><u>AR 7. AR 56.</u> The definitions of permanent, temporary, <u>and</u> non-guaranteed hours, <u>full time, and part time</u> employees differ <u>between</u> <u>among</u> countries. If the undertaking has employees in more than one country, it shall use the definitions as per the national laws of the countries where the employees are based to calculate country-level data. <u>The</u> <u>Country-level data shall then be added up to calculate the</u> <u>total numbers, disregarding differences in national legal definitions.</u> <u>Non-guaranteed hours employees are employed by the undertaking without a guarantee of a minimum or fixed number of working hours.</u> <u>The employee may need to make themselves available for work as required, but the undertaking is not contractually obliged to offer the employee a minimum or fixed number of working hours per day, week, or month.</u> <u>Casual employees, employees with zero hour contracts, and on-call employees are examples that fall under this category.</u></p>	<p>[AMENDED]</p> <p>Editorial amendments and the definition of 'non-guaranteed hours employees' has been moved to the glossary in line with EFRAG decision.</p>																		
	<p><u>AR 8. In accordance with ESRS 2 GDR-M, the undertaking shall disclose the method used to calculate and compile employee data (for example, at the end of the reporting year or as an average) and provide contextual information.</u></p>	<p>[NEW]</p> <p>Added AR that references ESRS 2 [GDR-M] (datapoints on calculation methodologies and contextual information have been deleted).</p>																		
<p>AR 57. Disclosing the number of employees at the end of the reporting period provides information for that point in time, without capturing fluctuations during the reporting period.</p>	<p><u>AR 57. Disclosing the number of employees at the end of the reporting period provides information for that point in time, without capturing fluctuations during the reporting period. Disclosing these numbers in</u></p>	<p>[DELETED]</p>																		

Disclosing these numbers in averages across the reporting period takes into account fluctuations during the reporting period.	averages across the reporting period takes into account fluctuations during the reporting period.	Guidance on disclosing the total number of employees deleted to reduce granularity in line with simplification.
AR 58. Quantitative data, such as the number of temporary or part-time employees, is unlikely to be sufficient on its own. For example, a high proportion of temporary or part-time employees could indicate a lack of employment security for employees, but it could equally signal workplace flexibility when offered as a voluntary choice. For this reason, the undertaking is required to disclose contextual information to help information users interpret the data. The undertaking can explain the reasons for temporary employment. An example of such a reason is the recruitment of employees to undertake work on a temporary or seasonal project or event. Another example is the standard practice of offering a temporary contract (for example, six months) to new employees before an offer of permanent employment is made. The undertaking may also explain the reasons for nonguaranteed hours employment.	AR 58. Quantitative data, such as the number of temporary or part-time employees, is unlikely to be sufficient on its own. For example, a high proportion of temporary or part-time employees could indicate a lack of employment security for employees, but it could equally signal workplace flexibility when offered as a voluntary choice. For this reason, the undertaking is required to disclose contextual information to help information users interpret the data. The undertaking can explain the reasons for temporary employment. An example of such a reason is the recruitment of employees to undertake work on a temporary or seasonal project or event. Another example is the standard practice of offering a temporary contract (for example, six months) to new employees before an offer of permanent employment is made. The undertaking may also explain the reasons for nonguaranteed hours employment.	[DELETED] Deleted to reduce granularity in line with simplification.
AR 59. For the own employee turnover calculation, the undertaking shall calculate the aggregate of the number of employees who leave voluntarily or due to dismissal, retirement, or death in service. The undertaking shall use this number for the numerator of the employee turnover rate and may determine the denominator used to calculate this rate and describe its methodology.	AR 11. AR 59. For the own employee turnover calculation, the undertaking shall calculate the aggregate of divide the number of employees who leave voluntarily or due to dismissal, retirement, or death in service. The undertaking shall use this number for the numerator of the employee turnover rate and may determine the denominator used to calculate this rate and describe its methodology by the average employee headcount.	[AMENDED] Amended based on EFRAG decision, new [AR 11] includes a formula for the employee turnover based on the average employee headcount (most representative number).
AR 60. Where data is not available for detailed information, the undertaking shall use an estimation of the employee number or ratios, in accordance with ESRS 1, and clearly identify where the use of estimates has taken place.	AR 60. Where data is not available for detailed information, the undertaking shall use an estimation of the employee number or ratios, in accordance with ESRS 1, and clearly identify where the use of estimates has taken place.	[DELETED] This concept is already defined in ESRS 1 and no emphasis is needed.
Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce	Disclosure Requirement S1-67 – Characteristics of non-employees in the undertaking's own workforce	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	

	<p>AR 12. This DR is applicable if non-employees within the undertaking's own workforce are connected to material impacts, risks and opportunities related to own workforce. This situation arises if non-employees are critical to undertaking's business model, for example if they are used to provide flexible labour or if they are used in core processes. Dependencies on non-employees due to the business model can be a risk for the undertaking, particularly if the reliance on non-employees is increasing, for example due to changes in labour market regulations. The use of non-employees can also be connected to material negative impacts if non-employees make up a substantial proportion of the own workforce or if potential or actual negative impacts are material in relation to non-employees.</p>	<p>[NEW]</p> <p>Newly introduced AR clarifying the materiality of non-employees, to simplify and clarify the scope of new S1-6. A simplification of new S1-6 is based on feedback received from information gathering.</p>
<p>AR 61. This Disclosure Requirement provides insight into the undertaking's approach to employment, as well as the scope and nature of impacts arising from its employment practices. It also provides contextual information that aids an understanding of the information reported in other disclosures. This disclosure covers both individual contractors supplying labour to the undertaking ("self-employed people") and workers provided by undertakings primarily engaged in "employment activities" (NACE Code N78). If all the people performing work for the undertaking are employees and the undertaking does not have any people in its workforce who are not employees, this Disclosure Requirement is not material for the undertaking; notwithstanding, the undertaking may state this fact when disclosing the information required by Disclosure Requirement S1-6 as contextual information as this information can be relevant for the users of the Sustainability Statement.</p>	<p>AR 61. This Disclosure Requirement provides insight into the undertaking's approach to employment, as well as the scope and nature of impacts arising from its employment practices. It also provides contextual information that aids an understanding of the information reported in other disclosures. This disclosure covers both individual contractors supplying labour to the undertaking ("self-employed people") and workers provided by undertakings primarily engaged in "employment activities" (NACE Code N78). If all the people performing work for the undertaking are employees and the undertaking does not have any people in its workforce who are not employees, this Disclosure Requirement is not material for the undertaking; notwithstanding, the undertaking may state this fact when disclosing the information required by Disclosure Requirement S1-6 as contextual information as this information can be relevant for the users of the Sustainability Statement.</p>	<p>[DELETED]</p> <p>AR is deemed redundant and contains a voluntary disclosure. Deleted under the general decision to eliminate voluntary disclosures.</p>
<p>AR 62. Examples of contractors (self-employed people) in the undertaking's own workforce include: contractors hired by the undertaking to perform work that would otherwise be carried out by an employee; contractors hired by the undertaking to perform work in a</p>	<p>AR 62. Examples of contractors (self-employed people) in the undertaking's own workforce include: contractors hired by the undertaking to perform work that would otherwise be carried out by an employee; contractors hired by the undertaking to perform work in a</p>	<p>[DELETED]</p> <p>Content partly integrated into paragraph 7. The remaining text</p>

<p>perform work in a public area (for example, on a road, on the street); and contractors hired by the undertaking to deliver the work/service directly at the workplace of a client of the organization. Examples of people employed by a third party engaged in 'employment activities' whose work is under the direction of the undertaking include: people who perform the same work that employees carry out, such as people who fill in for employees who are temporarily absent (due to illness, holiday, parental leave, etc.); people performing regular work at the same site as employees; and workers who are dispatched temporarily from another EU member state to work for the undertaking ('posted workers'). Examples of value chain workers (and thus of workers not in the undertaking's own workforce and reported under the scope of ESRS S2) include: workers for a supplier contracted by the undertaking who work on the supplier's premises using the supplier's work methods; workers for a 'downstream' entity which purchases goods or services from the undertaking; and workers of an equipment supplier to the undertaking who, at one or more of the undertaking's workplaces, perform regular maintenance on the supplier's equipment (for example, photocopier) as stipulated in the contract between the equipment supplier and the undertaking.</p>	<p>public area (for example, on a road, on the street); and contractors hired by the undertaking to deliver the work/service directly at the workplace of a client of the organization. Examples of people employed by a third party engaged in 'employment activities' whose work is under the direction of the undertaking include: people who perform the same work that employees carry out, such as people who fill in for employees who are temporarily absent (due to illness, holiday, parental leave, etc.); people performing regular work at the same site as employees; and workers who are dispatched temporarily from another EU member state to work for the undertaking ('posted workers'). Examples of value chain workers (and thus of workers not in the undertaking's own workforce and reported under the scope of ESRS S2) include: workers for a supplier contracted by the undertaking who work on the supplier's premises using the supplier's work methods; workers for a 'downstream' entity which purchases goods or services from the undertaking; and workers of an equipment supplier to the undertaking who, at one or more of the undertaking's workplaces, perform regular maintenance on the supplier's equipment (for example, photocopier) as stipulated in the contract between the equipment supplier and the undertaking.</p>	<p>could be considered for future guidance.</p>
<p>AR 63. If the undertaking cannot report exact figures, it shall use estimates according to the provisions in ESRS 1 to disclose the number of people in its own workforce who are not employees to the nearest ten or, where the number of people in its own workforce who are not employees is greater than 1,000, to the nearest 100, and explain this. In addition, it shall clearly identify the information that derives from actual data and estimates.</p>	<p><u>AR 13. AR 63. The total number of non-employees shall be calculated either in terms of headcount or full-time equivalents (FTE), and it shall be reported either as of the end of the reporting period or as an average over the entire reporting period. Explaining which of these options the undertaking has chosen may constitute material contextual information.</u></p> <p><u>If the undertaking cannot report exact figures, it shall use estimates according to apply the provisions in ESRS 1 <i>General Requirements</i> regarding estimates to disclose the number of people in its own workforce who are not employees to the nearest ten or, where the number of people in its own workforce who are not employees is greater than 1,000, to the nearest 100, and explain this. In addition, it</u></p>	<p>[AMENDED]</p> <p>The changes made are twofold. Firstly, to clarify which methodology to use and align with ESRS S1-6. Secondly, emphasis placed on the use of estimates as per ESRS S1 as requested by feedback received.</p>

	<p><u>shall clearly identify the information that derives from actual data and estimates.</u></p>	
AR 64. Disclosing the number of people in the undertaking's own workforce who are not employees at the end of the reporting period provides information for that point in time without capturing fluctuations during the reporting period. Disclosing this number as an average across the reporting period considers fluctuations during the reporting period and can provide more insightful and relevant information for users.	<p>AR 64. Disclosing the number of people in the undertaking's own workforce who are not employees at the end of the reporting period provides information for that point in time without capturing fluctuations during the reporting period. Disclosing this number as an average across the reporting period considers fluctuations during the reporting period and can provide more insightful and relevant information for users.</p>	[DELETED] The use of average and its usefulness is already implicit in [AR 13] above.
AR 65. The information disclosed by the undertaking allows users to understand how the number of non-employees in the undertaking's own workforce varies during the reporting period or compared to the previous reporting period (i.e., whether the numbers have increased or decreased). The undertaking may also disclose the reasons for the fluctuations. For example, an increase in the number of non-employees during the reporting period could be due to a seasonal event. Conversely, a decrease in the number of non-employees compared to the previous reporting period could be due to the completion of a temporary project. If the undertaking discloses fluctuations, it shall also explain the criteria used to determine which fluctuations it discloses. If there are no significant fluctuations in the number of non-employees during the reporting period or between the current and previous reporting period, the undertaking may disclose this information.	<p>AR 65. The information disclosed by the undertaking allows users to understand how the number of non-employees in the undertaking's own workforce varies during the reporting period or compared to the previous reporting period (i.e., whether the numbers have increased or decreased). The undertaking may also disclose the reasons for the fluctuations. For example, an increase in the number of non-employees during the reporting period could be due to a seasonal event. Conversely, a decrease in the number of non-employees compared to the previous reporting period could be due to the completion of a temporary project. If the undertaking discloses fluctuations, it shall also explain the criteria used to determine which fluctuations it discloses. If there are no significant fluctuations in the number of non-employees during the reporting period or between the current and previous reporting period, the undertaking may disclose this information.</p>	[DELETED] The AR has been deleted and might be considered by EFRAG as future non mandatory guidance.
Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue	Disclosure Requirement S1-<u>78</u> – Collective bargaining coverage and social dialogue	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 66. The percentage of employees covered by collective bargaining agreements is calculated using the following formula:	<p><u>AR 14 AR 66.</u> The percentage of employees covered by collective bargaining agreements <u>shall be</u> is calculated using the following formula, <u>based on employee headcount:</u></p>	[AMENDED] Editorial amendments and merged with former [AR 67]

<p><i>Number of employees covered by collective bargaining agreements</i></p> <hr/> <p><i>Number of employees</i></p>	<p><i>Number of employees covered by collective bargaining agreements</i></p> <hr/> <p><i>Number of employees</i></p> <p>AR 67. The employees in the undertaking's own workforce covered by collective bargaining agreements are those individuals to whom the undertaking is obliged to apply the agreement. This means that if none of the employees are covered by a collective bargaining agreement, the percentage reported is zero. Any employee in the undertaking's own workforce covered by more than one collective bargaining agreement <u>shall only needs to be counted once.</u></p>	
<p>AR 67. The employees in the undertaking's own workforce covered by collective bargaining agreements are those individuals to whom the undertaking is obliged to apply the agreement. This means that if none of the employees are covered by a collective bargaining agreement, the percentage reported is zero. An employee in the undertaking's own workforce covered by more than one collective bargaining agreement only needs to be counted once.</p>	<p>AR 67. The employees in the undertaking's own workforce covered by collective bargaining agreements are those individuals to whom the undertaking is obliged to apply the agreement. This means that if none of the employees are covered by a collective bargaining agreement, the percentage reported is zero. An employee in the undertaking's own workforce covered by more than one collective bargaining agreement <u>only needs to be counted once.</u></p>	<p>[AMENDED]</p> <p>Moved to new [AR 14]</p>
<p>AR 68. This requirement is not aimed at obtaining the percentage of employees represented by a works council or belonging to trade unions, which can be different. The percentage of employees covered by collective bargaining agreements can be higher than the percentage of unionised employees when the collective bargaining agreements apply to both union and non-union members. Alternatively, the percentage of employees covered by collective bargaining agreements can be lower than the percentage of unionised employees. This may be the case when there are no collective bargaining agreements available or when the collective bargaining agreements do not cover all unionised employees.</p>	<p>AR 68. This requirement is not aimed at obtaining the percentage of employees represented by a works council or belonging to trade unions, which can be different. The percentage of employees covered by collective bargaining agreements can be higher than the percentage of unionised employees when the collective bargaining agreements apply to both union and non-union members. Alternatively, the percentage of employees covered by collective bargaining agreements can be lower than the percentage of unionised employees. This may be the case when there are no collective bargaining agreements available or when the collective bargaining agreements do not cover all unionised employees.</p>	<p>[DELETED]</p> <p>Deleted to reduce granularity. Could be part of future guidance.</p>

<p>AR 69. For calculating the information required by paragraph 63(a), the undertaking shall identify in which European Economic Area (EEA) countries it has significant employment (i.e., at least 50 employees representing at least 10% of its total employees). For these countries it shall report the percentage of employees in that country which are employed in establishments in which employees are represented by workers' representatives. Establishment is defined as any place of operations where the undertaking carries out a non-transitory economic activity with human means and goods. Examples include: a factory, a branch of a retail chain, or an undertaking's headquarters. For countries in which there is only one establishment the percentage reported shall be either 100% or 0%.</p> <p><i>Number of employees working in establishments with workers' representatives</i></p> $\frac{\text{Number of employees working in establishments with workers' representatives}}{\text{Number of employees}} \times 100$	<p><u>AR 16. AR 69.</u> For calculating the information required by paragraph 6324(a), the undertaking shall identify in which European Economic Area (EEA) countries it has significant employment (i.e., at least 50 employees representing at least 10% of its total employees). For each of these countries, it shall report the percentage of employees in that country which are employed in establishments in which employees are represented by workers' representatives.</p> <p>'Establishment' is defined as any place of operations where the undertaking carries out a non-transitory economic activity with human means and goods. Examples include: a factory, a branch of a retail chain, or an undertaking's headquarters. For countries in which there is only one establishment, the percentage reported shall be either 100% or 0%.</p> <p><i>Number of employees working in establishments with workers' representatives</i></p> $\frac{\text{Number of employees working in establishments with workers' representatives}}{\text{Number of employees}} \times 100$	<p>[AMENDED]</p> <p>Editorial change in accordance with the revised significant employment threshold.</p>						
<p>AR 70. The information required by this Disclosure Requirement shall be reported as follows</p> <p>Table 1: Reporting template for collective bargaining coverage and social dialogue</p> <table border="1" data-bbox="159 1156 837 1237"> <tr> <td></td> <td>Collective Bargaining Coverage</td> <td>Social dialogue</td> </tr> </table>		Collective Bargaining Coverage	Social dialogue	<p><u>AR 15 AR 70.</u> The information required by this Disclosure Requirement shall be reported as follows. The undertaking shall present the information in a narrative format or using the table below.</p> <p><i>Table 1: Reporting template for collective bargaining coverage and social dialogue</i></p> <table border="1" data-bbox="871 1156 1612 1237"> <tr> <td></td> <td>Collective Bargaining Coverage</td> <td>Social dialogue</td> </tr> </table>		Collective Bargaining Coverage	Social dialogue	<p>[AMENDED]</p> <p>Editorial change in accordance with the revised significant employment threshold and amendment to allow for multi-year reporting.</p>
	Collective Bargaining Coverage	Social dialogue						
	Collective Bargaining Coverage	Social dialogue						

Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)	Coverage Rate	Employees – EEA (for countries with >50 employees representing >10% total empl. included in the ten largest countries)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for the EEA countries with > 50 employees representing >10% total empl. included in the ten largest countries)		
					Current reporting period	Previous reporting period	Current reporting period	Previous reporting period	
0-19%		Region A							
20-39%	Country A	Region B							
40-59%	Country B		Country A						
60-79%			Country B						
80-100%									

	60-79%					Country B		
	80-100%							
Disclosure Requirement S1-9 – Diversity metrics	Disclosure Requirement S1-<u>89</u> – Diversity metrics							Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS							
AR 71. In preparing the disclosure on gender at top management, the undertaking shall use the definition of top management as one and two levels below the administrative and supervisory bodies unless this concept has already been defined with the undertaking's operations and differs from the previous description. If this is the case, the undertaking can use its own definition for top management and disclose that fact and its own definition.	AR <u>17</u> AR71. In preparing <u>For the disclosure on</u> purposes of calculating the gender distribution at top management level, the undertaking shall use the definition of 'top management' as one and is defined as the two levels below the administrative and supervisory bodies, unless this concept has already been defined with the undertaking's operations and differs from the previous description. If this is the case, <u>Alternatively</u> , the undertaking can- <u>may use its own definition for</u> of 'top management' and, <u>in which case it shall disclose that fact and its own the definition it has used.</u>							[UNCHANGED] Editorial changes were made in line with EFRAG simplification decision.
Disclosure Requirement S1-10 – Adequate Wages	Disclosure Requirement S1-<u>910</u> – Adequate wages							Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS							
	AR 18. If all employees are paid an adequate wage, stating this and the benchmarks used for its assessment is sufficient to fulfil this requirement.							[NEW] [69] amended.
AR 72. The lowest wage shall be calculated for the lowest pay category, excluding interns and apprentices. This is to be based on the basic wage plus any fixed additional payments that are guaranteed to all employees. The lowest wage shall be considered separately for each country in which the undertaking has operations, except outside the EEA when the relevant adequate or minimum wage is defined at a sub-national level.	AR <u>19</u> . AR 72. The lowest wage shall be calculated for the lowest pay category. The basis of this calculation is the lowest wage among the undertaking's employees, excluding interns and apprentices. This is to be based on the means basic wage plus any fixed additional payments that are guaranteed to all employees. The lowest wage shall be considered separately for each country in which the undertaking has operations, except outside the EEA when- if the relevant adequate or minimum wage is defined at a sub-national level.							[UNCHANGED] Editorial amendments.

AR 73. The adequate wage benchmark used for comparison with the lowest wage shall not be lower than:	<u>AR 20, AR 73.</u> The adequate wage benchmark used for comparison with the lowest wage shall not be lower than:	[UNCHANGED]
(a) in the EEA: the minimum wage set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union. In the period until Directive (EU) 2022/2041 enters into application, where there is no applicable minimum wage determined by legislation or collective bargaining in an EEA country, the undertaking shall use an adequate wage benchmark that is either not lower than the minimum wage in a neighboring country with a similar socio-economic status or not lower than a commonly-referenced international norm such as 60% of the country's median wage and 50% of the gross average wage.	(a) in the EEA EU: the wage level established through collective bargaining or the statutory minimum wage set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council³ on adequate minimum wages in the EU; European Union. In the period until Directive (EU) 2022/2041 enters into application, where there is no applicable minimum wage determined by legislation or collective bargaining in an EEA country, the undertaking shall use an adequate wage benchmark that is either not lower than the minimum wage in a neighboring country with a similar socio-economic status or not lower than a commonly-referenced international norm such as 60% of the country's median wage and 50% of the gross average wage.	[AMENDED] The reference to the Adequate Minimum Wage Directive has been changed, since the Directive does not apply to the EEA. The reference to the transposition period has been deleted, since the transposition period has passed.
(b) outside of the EEA: i.the wage level established in any existing international, national or sub-national legislation, official norms or collective agreements, based on an assessment of a wage level needed for a decent standard of living; ii.if none of the instruments identified in (i) exist, any national or sub-national minimum wage established by legislation or collective bargaining; or iii. if none of the instruments identified in (i) or (ii) exist, any benchmark that meets the criteria set out by the Sustainable Trade Initiative (IDH) ('Roadmap on Living Wages - A Platform to Secure Living Wages in Supply Chains'), including applicable benchmarks aligned with the Anker methodology, or provided by the Wage Indicator Foundation or Fair Wage Network, provided the primacy of collective bargaining for the establishment of terms and conditions of employment is ensured.	(b) outside of the EEA EU: i. the adequate minimum wage level established in any existing international, national or sub-national legislation, official norms or collective agreements, based on an assessment of a wage level needed for a decent standard of living; by legislation or collective bargaining which provides a decent standard of living as confirmed by a calculation in line with the ILO principles on estimating a living wage; or ii.if none of the instruments identified in (i) exist, any national or sub-national minimum wage established by legislation or collective bargaining; or ii. any living wage estimate, including estimates produced by an institution mandated by the public authorities of the country where the workers are based, which takes into account the ILO principles on estimating a living wage. iii. if none of the instruments identified in (i) or (ii) exist, any benchmark that meets the criteria set out by the Sustainable Trade	[AMENDED] Revision of the methodology for non-EU countries to align with the ILO Principles on Estimating a Living Wage: (a) Deletion of the three-step hierarchy to allow for flexibility; (b) Alignment with the ILO Principles for Estimating a Living Wage to determine relevant benchmarks for 'adequate wages'. Previously step (i) did not include a reference to a specific framework to support the 'assessment of a wage level needed for a decent standard of living'.

	Initiative (IDH) ('Roadmap on Living Wages – A Platform to Secure Living Wages in Supply Chains'), including applicable benchmarks aligned with the Anker methodology, or provided by the Wage Indicator Foundation or Fair Wage Network, provided the primacy of collective bargaining for the establishment of terms and conditions of employment is ensured.	
AR 74. Directive (EU) 2022/2041 on adequate minimum wages in the European Union references both indicative reference values commonly used at international level such as 60 % of the gross median wage and 50 % of the gross average wage, and/or indicative reference values used at national level. Data for the indicative values of 60% of the national median gross wage or 50% of the national average gross wage can be obtained from the European Labour Force Survey.	AR 74. Directive (EU) 2022/2041 on adequate minimum wages in the European Union references both indicative reference values commonly used at international level such as 60 % of the gross median wage and 50 % of the gross average wage, and/or indicative reference values used at national level. Data for the indicative values of 60% of the national median gross wage or 50% of the national average gross wage can be obtained from the European Labour Force Survey.	[DELETED] This provision was included whilst the Directive (EU) 2022/2041 was not transposed.
Disclosure Requirement S1-11 – Social protection ESRS as enacted in 2023	Disclosure Requirement S1-10<u>1</u> – Social protection Draft Amended ESRS	Comment/Rationale
AR 75. Social protection refers to all the measures that provide access to health care and income support in cases of challenging life events such as the loss of a job, being sick and in need of medical care, giving birth and raising a child, or retiring and in need of a pension.	AR 75. Social protection refers to all the measures that provide access to health care and income support in cases of challenging life events such as the loss of a job, being sick and in need of medical care, giving birth and raising a child, or retiring and in need of a pension.	[DELETED] Simplification.
Disclosure Requirement S1-12 – Persons with disabilities ESRS as enacted in 2023	Disclosure Requirement S1-11<u>2</u> – Persons with disabilities Draft Amended ESRS	Comment/Rationale
AR 76. When disclosing the information required in paragraph 77 regarding persons with disabilities, the undertaking shall provide any contextual information necessary to understand the data and how the data has been compiled (methodology). For example, information about the impact of different legal definitions of persons with disabilities in the different countries in which the undertaking has operations.	AR 21. The DR about persons with disabilities only requires the undertaking to report data that can be lawfully collected. Disability status depends on national legal definitions, but the undertaking may use the same definition across the various countries where it operates or may use applicable national definitions. AR 76. When disclosing the information required in paragraph 77 regarding persons with disabilities, In accordance with ESRS 2 GDR-M, the undertaking shall provide any contextual information necessary to understand the data and how the data has been compiled (methodology) – disclose the calculation methodology, data types and	[AMENDED] Amended to address the most common challenges of reporting on persons with disabilities and provide guidance on how to report on persons with disabilities subject to legal restrictions to the collection of data in line with input received during information gathering.

	<p><u>sources used as input. This may consist, for example, information about the impact of different legal definitions of persons with disabilities in the different countries in which the undertaking has operations of voluntary employee surveys or information from mandatory disability quotas reported by the undertaking.</u></p>	
Disclosure Requirement S1-13 – Training and Skills Development metrics	Disclosure Requirement S1-123 – Training and skills development metrics	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 77. A regular performance review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the worker's direct superior, peers, or a wider range of employees. The review can also involve the human resources department. In order to disclose the information required by paragraph 83 (a), the undertaking shall use the employee headcount figures provided in Disclosure Requirement ESRS S1-6 in the denominator to calculate the:	<p><u>AR 22, AR-77. A regular formalised performance and career development review is defined as a review based on criteria known to the employee and his or her superior(s), undertaken with the knowledge of the employee, at least once per year. The review can include an evaluation by the worker's employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department. In order to disclose the information required by paragraph 83 (a) 34(a), the undertaking shall use the employee headcount figures from provided in Disclosure Requirement ESRS S1-65 in the denominator to calculate the as follows:</u></p> <p><u>(# employees who participated in formalised performance and career development review/ # employees according to S1 – 5) * 100.</u></p>	[UNCHANGED] Editorial amendments and inclusion of new formula for further clarity.
(a) number/proportion of performance reviews per employee; and	(a) number/proportion of performance reviews per employee; and	[DELETED] Deleted based on information gathering (Q&A).
(b) number of reviews in proportion to the agreed number of reviews by the management.	(b) number of reviews in proportion to the agreed number of reviews by the management.	[DELETED] Deleted based on information gathering (Q&A).
AR 78. To disclose the average required per paragraph 83 (b), the undertaking shall perform the following calculation: total number of training hours offered to and completed by employees per gender category divided by the total number of employees per gender category. For the total training average and the average by gender, the head count figures for total	<p><u>AR 23, AR-78. To disclose the average required per paragraph 83 (b), the undertaking shall perform the following calculation. The average number of training hours required by paragraph 34 (b) shall be calculated as follows: total number of training hours offered to and completed by employees per gender category divided by the total number of employees per gender category. For the calculation of the total average</u></p>	[UNCHANGED] Editorial amendments.

employment and employment by gender reported in Disclosure Requirement ESRS S1-6 shall be used.	training <u>hours</u> average and the average by gender, the headcount figures for total employment and employment by gender reported in Disclosure Requirement ESRS S1-6 <u>5</u> shall be used.	
AR 79. Employee categories are a breakdown of employees by level (such as senior management, middle management) or function (such as technical, administrative, production). This information is derived from the undertaking's own human resources system. In categorising the workforce, the undertaking shall define reasonable and meaningful employee categories which enable users of the information to understand different performance measures between the categories. The undertaking may present a category for executive and non- executive employees.	AR 79. Employee categories are a breakdown of employees by level (such as senior management, middle management) or function (such as technical, administrative, production). This information is derived from the undertaking's own human resources system. In categorising the workforce, the undertaking shall define reasonable and meaningful employee categories which enable users of the information to understand different performance measures between the categories. The undertaking may present a category for executive and non- executive employees.	[DELETED] Deemed not essential in line with EFRAG decision.
Disclosure Requirement S1-14 – Health and safety metrics ESRS as enacted in 2023	Disclosure Requirement S1-134 – Health and safety metrics Draft Amended ESRS	Comment/Rationale
AR 80. In relation to paragraph 88 (a), the percentage of its own workforce who are covered by the undertaking's health and safety management system shall be disclosed on a head count basis rather than a full-time equivalent basis.	AR 24. AR 80. In relation to paragraph 88 (a), <u>T</u> the percentage of its the <u>undertaking's</u> own workforce who are <u>that is</u> covered by the <u>undertaking's</u> <u>its occupational health and safety</u> safety and health management system shall be disclosed on a headcount basis rather than a full-time equivalent basis.	[AMENDED] Editorial changes were made to enhance clarity.
AR 81. With regard to paragraph 90, when the undertaking's health and safety management system, or certain parts thereof, has been subject to an internal audit or external certification, the undertaking may state this fact, or absence thereof, and the underlying standards for such audits/certifications, as applicable.	AR 81. With regard to paragraph 90, when the undertaking's health and safety management system, or certain parts thereof, has been subject to an internal audit or external certification, the undertaking may state this fact, or absence thereof, and the underlying standards for such audits/certifications, as applicable.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 82. Fatalities may be reported separately for those resulting from work-related injuries and those resulting from work-related ill health.	AR 82. Fatalities may be reported separately for those resulting from work-related injuries and those resulting from work-related ill health.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.

<p>AR 83. Work-related injuries and work-related ill health arise from exposure to hazards at work. Notwithstanding, other types of incidents can occur that are not connected with the work itself. For example, the following incidents are generally not considered to be work-related, unless otherwise specified in applicable national legislation:</p>	<p>AR 83. Work-related injuries and work-related ill health arise from exposure to hazards at work. Notwithstanding, other types of incidents can occur that are not connected with the work itself. For example, the following incidents are generally not considered to be work-related, unless otherwise specified in applicable national legislation:</p>	<p>[DELETED] Content might be considered by EFRAG as future non mandatory guidance.</p>
<p>(a) a person in the workforce suffers a heart attack while at work that is not connected with work;</p>	<p>(a) a person in the workforce suffers a heart attack while at work that is not connected with work;</p>	<p>[DELETED] Content might be considered by EFRAG as future non mandatory guidance.</p>
<p>(b) a person in the workforce driving to or from work is injured in a car accident (when driving is not part of the work and where the transport has not been organised by the undertaking); and</p>	<p>(b) a person in the workforce driving to or from work is injured in a car accident (when driving is not part of the work and where the transport has not been organised by the undertaking); and</p>	<p>[DELETED] Content might be considered by EFRAG as future non mandatory guidance.</p>
<p>(c) a person in the workforce with epilepsy has a seizure at work that is not connected with work.</p>	<p>(c) a person in the workforce with epilepsy has a seizure at work that is not connected with work.</p>	<p>[DELETED] Content might be considered by EFRAG as future non mandatory guidance.</p>
<p>AR 84. With regard to travelling for work purposes, injuries and ill health that occur while a person is travelling are work-related if, at the time of the injury or ill health, the person was engaged in work activities “in the interest of the employer”. Examples of such activities include travelling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer). If the undertaking is responsible for the transport commuting, incidents occurred while commuting are considered to be work-related. Nonetheless, incidents which arise during travel, outside of the undertaking’s responsibility (i.e., regular commuting to and from work), may be reported separately provided that the undertaking has such data available across the undertaking.</p>	<p>AR 84. With regard to travelling for work purposes, injuries and ill health that occur while a person is travelling are work-related if, at the time of the injury or ill health, the person was engaged in work activities “in the interest of the employer”. Examples of such activities include travelling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer). If the undertaking is responsible for the transport commuting, incidents occurred while commuting are considered to be work-related. Nonetheless, incidents which arise during travel, outside of the undertaking’s responsibility (i.e., regular commuting to and from work), may be reported separately provided that the undertaking has such data available across the undertaking.</p>	<p>[DELETED] Content might be considered by EFRAG as future non mandatory guidance.</p>

from work), may be reported separately provided that the undertaking has such data available across the undertaking.		
AR 85. With regard to working from home, injuries and ill health that occur when working from home are work-related, if the injury or ill health occurs while the person is performing work from home; and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.	AR 85. With regard to working from home, injuries and ill health that occur when working from home are work related, if the injury or ill health occurs while the person is performing work from home; and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 86. With regard to mental illness, it is considered to be work-related, if it has been notified voluntarily by the person concerned and it is supported by an opinion from a licensed healthcare professional with appropriate training and experience; and if such opinion states that the illness is work-related.	AR 86. With regard to mental illness, it is considered to be work related, if it has been notified voluntarily by the person concerned and it is supported by an opinion from a licensed healthcare professional with appropriate training and experience; and if such opinion states that the illness is work related.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 87. Health issues resulting, for example, from smoking, drug and alcohol abuse, physical inactivity, unhealthy diets, and psychosocial factors unrelated to work are not considered work-related.	AR 87. Health issues resulting, for example, from smoking, drug and alcohol abuse, physical inactivity, unhealthy diets, and psychosocial factors unrelated to work are not considered work related.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 88. Occupational diseases are not considered work-related injuries but are covered under work-related ill health.	AR 88. Occupational diseases are not considered work-related injuries but are covered under work related ill health.	[DELETED]
AR 89. In computing the rate of work-related injuries, the undertaking shall divide the respective number of cases by the number of total hours worked by people in its own workforce and multiplied by 1,000,000. Thereby, these rates represent the number of respective cases per one million hours worked. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full time people in the workforce over a 1-year timeframe. For comparability purposes a rate based on 1,000,000 hours worked shall be used also for undertakings with less than 500 people in the workforce.	<u>AR 25. AR 89. In</u> When computing the rate of recordable work-related accidents injuries, the undertaking shall divide the respective number of cases by the number of total hours worked by people in its own workforce, and multiplied by 1,000, 000. Thereby, these rates This represents the number of respective cases per one million hours worked. A rate based on 1,000,000 hours worked and roughly corresponds to the total hours worked by 500 full-time workers in one year. indicates the number of work related injuries per 500 full time people in the workforce over a 1 year timeframe. For comparability purposes a rate based on 1,000,000 hours worked shall be used also for undertakings with less than 500 people in the workforce.	[AMENDED] Editorial changes. (NEW) Sub-paragraph added that explicitly allows the use of national definition of 'work-accident'.

	<p><u>If national law in the countries where the undertaking's employees work defines 'work-related accidents' in a different way than the ESRS Glossary definition of 'recordable work-related accident', the undertaking may use the national definition. In that case, it shall disclose this fact in accordance with ESRS 2 GDR-M.</u></p> <p>If the undertaking cannot directly calculate the number of hours worked, it may uses estimates, it shall use this on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (for example, paid vacations, paid sick leave, public holidays) and explain this in its disclosures.</p>	
AR 90. If the undertaking cannot directly calculate the number of hours worked, it may estimate this on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (for example, paid vacations, paid sick leave, public holidays) and explain this in its disclosures.	AR 90. If the undertaking cannot directly calculate the number of hours worked, it may estimate this on the basis of normal or standard hours of work, taking into account entitlements uses estimates it shall use normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (for example, paid vacations, paid sick leave, public holidays) and explain this in its disclosures.	[AMENDED] Moved to new [AR 25]
AR 91. An undertaking shall include fatalities as a result of work-related injury in the calculation of the number and rate of recordable work-related injuries.	AR 26. AR 91. An undertaking shall include <u>Fatalities as a that result from of work-related injury in the calculation of number and rate of recordable work-related accidents</u> injuries. are included in this figure.	[AMENDED] Editorial change for consistency with terminological changes.
AR 92. Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (for example, noise-induced hearing loss, vibration-caused diseases), and mental illnesses (for example, anxiety, post-traumatic stress disorder). For the purpose of the required disclosures, the undertaking shall, at a minimum, include in its disclosure those cases outlined in the ILO List of Occupational Diseases.	AR 92. Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (for example, noise-induced hearing loss, vibration-caused diseases), and mental illnesses (for example, anxiety, post traumatic stress disorder). For the purpose of the required disclosures, the undertaking shall, at a minimum, include in its disclosure those cases outlined in the ILO List of Occupational Diseases.	[DELETED] This might be considered for future guidance.
AR 93. In the context of this Standard, work-related musculoskeletal disorders are covered under work-related ill health (and not injuries).	AR 27. AR 93. 'Cases of recordable work-related ill health' in paragraph 36(d) refers to cases of work-related ill-health about which the undertaking has been informed by the affected people, compensation agencies or healthcare professionals or to cases that it has identified	[AMENDED] Additional text moved from former [AR 94]

	<p><u>through medical surveillance during the reporting period. In the this context of this Standard, work-related musculoskeletal disorders are covered under work-related ill health (and not under work-related injuries).</u></p>	
AR 94. The cases to be disclosed in paragraph 88(d) relate to cases of work-related ill health notified to the undertaking or identified by the undertaking through medical surveillance, during the reporting period. The undertaking might be notified of cases of work-related ill health through reports by affected people, compensation agencies, or healthcare professionals. The disclosure may include cases of work-related ill health that were detected during the reporting period among people who were formerly in the undertaking's workforce.	AR 94. The cases to be disclosed in paragraph 88(d) relate to cases of work related ill health notified to the undertaking or identified by the undertaking through medical surveillance, during the reporting period. The undertaking might be notified of cases of work-related ill health through reports by affected people, compensation agencies, or healthcare professionals. The disclosure may include cases of work-related ill health that were detected during the reporting period among people who were formerly in the undertaking's workforce.	[MOVED] Merger of former [AR 93] and [AR 94]
AR 95. The undertaking shall count the number of days lost such that the first full day and last day of absence shall be included. Calendar days should be considered for the calculation, thus days on which the affected individual is not scheduled for work (for example, weekends, public holidays) will count as lost days.	AR 28. AR 95. The undertaking shall count the number of days lost shall include such that the first full day and the last day of absence shall be included. Calendar days should shall be considered used for the calculation, thus days on which the affected individual is not scheduled for work (for example weekends, public holidays) will therefore count as days lost days.	[AMENDED] Editorial change
Disclosure Requirement S1-15 – Work-life balance ESRS as enacted in 2023	Disclosure Requirement S1-145 – Work-life balance Draft Amended ESRS	Comment/Rationale
	AR 29. (94 amended) If all of the undertaking's employees are entitled to all four types of family-related leave through social policy and/or collective bargaining agreements, it is sufficient to disclose the overall percentage to comply with paragraph 38. Contextual information, as per ESRS 2 GDR-M, may address the types of family-related leave entitlements, for example, in case the undertaking's employees are only entitled to two of the four types.	[MOVED] [94] amended. Added clarification to respond to stakeholder input. In case undertakings do not offer all types of leave included in the definition, this could constitute relevant contextual information.
AR 96. Family-related leave include maternity leave, paternity leave, parental leave, and carers' leave that is available under	AR 96. Family related leave include maternity leave, paternity leave, parental leave, and carers' leave that is available under national law or collective agreements. For the purpose of this Standard, these concepts are defined as:	[MOVED] Moved to the glossary.

national law or collective agreements. For the purpose of this Standard, these concepts are defined as:		
(a) maternity leave (also called pregnancy leave): employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption);	(a) maternity leave (also called pregnancy leave): employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption);	[MOVED] Moved to the glossary.
(b) paternity leave: leave from work for fathers or, where and in so far as recognised by national law, for equivalent second parents, on the occasion of the birth or adoption of a child for the purposes of providing care;	(b) paternity leave: leave from work for fathers or, where and in so far as recognised by national law, for equivalent second parents, on the occasion of the birth or adoption of a child for the purposes of providing care;	[MOVED] Moved to the glossary.
(c) parental leave: leave from work for parents on the grounds of the birth or adoption of a child to take care of that child, as defined by each Member State;	(c) parental leave: leave from work for parents on the grounds of the birth or adoption of a child to take care of that child, as defined by each Member State;	[MOVED] Moved to the glossary.
(d) carers' leave from work: leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each Member State.	(d) carers' leave from work: leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each Member State.	[MOVED] Moved to the glossary.
AR 97. With regard to paragraph 93 (a), employees entitled to family-related leave are those who are covered by regulations, organisational policies, agreements, contracts or collective bargaining agreements that contain family-related leave entitlements and have reported their entitlement to the undertaking or the undertaking is aware of the entitlement.	<u>AR 30.</u> AR 97. With regard to For the purposes of paragraph 93(a) 38, employees entitled to family-related leave are those who are covered by regulations, organisational policies, agreements, contracts or collective bargaining agreements that contain family-related leave entitlements, and have reported their entitlement to the undertaking, or the undertaking is aware of the entitlement.	[AMENDED] Editorial amendments were made to enhance clarity
Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)	Disclosure Requirement S1-156 – Remuneration metrics (pay gap and total remuneration)	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 98. When compiling the information required under paragraph 97 (a) for the gap in pay between its female and male employees (also known as the “gender pay gap”) the undertaking shall use the following methodology:	<u>AR 31.</u> AR 98. When compiling the information required under The gender pay gap disclosure in accordance with paragraph 97 (a) 40(a) shall include all for the gap in pay between its female and male male and female employees’ (also known as the “gender pay gap”) the undertaking shall use the following methodology: gross hourly pay level and be calculated as follows:	[AMENDED] Editorial amendments to enhance clarity.

	$\frac{(\text{Average gross hourly pay level of male employees} - \text{average gross hourly pay level of female employees})}{\text{Average gross hourly pay level of male employees}} \times 100$	
(a) include all employees' gross hourly pay level; and	(a) <u>include all employees' gross hourly pay level; and</u>	
(b) apply the following formula to calculate the gender pay gap: $\frac{(\text{Average gross hourly pay level of male employees} - \text{average gross hourly pay level of female employees})}{\text{Average gross hourly pay level of male employees}} \times 100$	(b) <u>apply the following formula to calculate the gender pay gap:</u> $\frac{(\text{Average gross hourly pay level of male employees} - \text{average gross hourly pay level of female employees})}{\text{Average gross hourly pay level of male employees}} \times 100$	
	<u>AR 32. When compiling the information required by paragraph 40(a), the undertaking shall:</u> <ul style="list-style-type: none"> (a) <u>include all male and female employees;</u> (b) <u>include the ordinary basic salary; and</u> (c) <u>include any other remuneration made available to all employees, whether in cash or in-kind, which the employee receives</u> 	[NEW] Added to mirror the AR breaking down the methodology and components of remuneration, no content change from former AR 98. The definition of 'pay' is based on the Pay Transparency Directive.
	(a) <u>include all male and female employees;</u>	[NEW]
	(b) <u>include the ordinary basic salary; and</u>	[NEW]
	(c) <u>include any other remuneration made available to all employees, whether in cash or in-kind, which the employee receives</u>	[NEW]

	<u>directly or indirectly (complementary or variable components) in respect of his/her employment from his/her employer.</u>	
	<u>AR 33. Paragraph 40(a) requires a disclosure of the unadjusted gender pay gap, which measures the overall difference in average pay between male and female employees but does not account for specific factors that can further explain these differences in pay. The adjusted gender pay gap by employee category and/or broken down by country may provide additional contextual information that complements the unadjusted gender pay gap.</u>	[NEW] New AR based on input from the public consultation, to explain the differences between the unadjusted gender pay gap and the adjusted gender pay gap (which, as a voluntary datapoint, has been deleted).
AR 99. When disclosing the information required under paragraph 97 (a), the undertaking shall provide any contextual information necessary to understand the data and how the data has been compiled (methodology). Information regarding how objective factors such as type of work and country of employment influence the gender pay gap may be reported.	<u>AR 34. AR 99. When disclosing the information required under paragraph 97 (a), the undertaking shall provide any contextual information necessary to understand the data In accordance with ESRS 2 GDR-M, the undertaking shall disclose the methodology it used for compiling the data and/or how the data has been compiled.(methodology). Information regarding how objective factors such as type of work and country of employment influence the gender pay gap may be reported.</u>	[AMENDED] Simplified, as ESRS [GDR-M] already requires the disclosure of calculation methodologies and contextual information.
AR 100. The measure of the undertaking's gender pay gap shall be reported for the current reporting period and, if reported in previous sustainability reports, for the previous two reporting periods.	<u>AR 100. The measure of the undertaking's gender pay gap shall be reported for the current reporting period and, if reported in previous sustainability reports, for the previous two reporting periods.</u>	[DELETED] Deleted to simplify the DR.
AR 101. When compiling the information required by paragraph 97 (b), the undertaking shall:	<u>AR 35. AR 101. When compiling the information required by paragraph 97 40(b), the undertaking shall:</u>	[AMENDED] Editorial amendments were made to enhance clarity.

(a) include all employees;	(a) include all employees;	[UNCHANGED]
	<u>(b) include base salary, which is the sum of guaranteed, short-term and non-variable cash compensation;</u>	[AMENDED] Old (b)(i) below amended, to follow the same structure as the definition of 'pay' above.
(b) consider, depending on the undertaking's remuneration policies, all of the following: i. base salary, which is the sum of guaranteed, short-term, and non-variable cash compensation; ii. benefits in cash, which is the sum of the base salary and cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments; iii. benefits in kind, such as cars, private health insurance, life insurance, wellness programs; and iv. direct remuneration, which is the sum of benefits in cash, benefits in kind and total fair value of all annual long-term incentives (for example, stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards).	<u>(c)(b) consider include</u> , depending on the undertaking's remuneration policies, all of the following: <u>i. base salary, which is the sum of guaranteed, short term, and non-variable cash compensation;</u> <u>i. ii. benefits in cash, which is the sum of the base salary and such as cash allowances, bonuses, commissions, cash profit-sharing and other forms of variable cash payments;</u> <u>ii. iii. benefits in-kind, such as cars, private health insurance, life insurance, and wellness programs; and</u> <u>iii. iv. direct remuneration, which is the sum of benefits in cash, benefits in kind and total fair value of all annual long-term incentives (for example, stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards);</u>	[AMENDED] Edited to follow the same structure as the definition of 'pay' above, editorial amendments to simplify this breakdown of remuneration components.
(c) apply the following formula for the annual total remuneration ratio: <i>Annual total remuneration for the undertaking's highest paid individual</i> <hr/> <i>Median employee annual total remuneration (excluding the highest – paid individual)</i>	<u>(d)(e) apply the following formula for the annual total remuneration ratio:</u> <i>Annual total remuneration for the undertaking's highest paid individual</i> <hr/> <i>Median employee annual total remuneration (excluding the highest – paid individual)</i>	[UNCHANGED]

AR 102. To illustrate the contextual information, the undertaking may provide an explanation to understand the data and how the data has been compiled (methodology). Quantitative data, such as the annual total remuneration ratio, may not be sufficient on its own to understand pay disparity and its drivers. For example, pay ratios can be influenced by the size of the undertaking (for example, revenue, number of employees), its sector, its employment strategy (for example, reliance on outsourced workers or part-time employees, a high degree of automation), or currency volatility.	AR 102. To illustrate the contextual information, the undertaking may provide an explanation to understand the data and how the data has been compiled (methodology). Quantitative data, such as the annual total remuneration ratio, may not be sufficient on its own to understand pay disparity and its drivers. For example, pay ratios can be influenced by the size of the undertaking (for example, revenue, number of employees), its sector, its employment strategy (for example, reliance on outsourced workers or part-time employees, a high degree of automation), or currency volatility.	[DELETED] Could be part of future guidance, deleted to simplify the DR.
Disclosure Requirement S1-17 –Incidents, complaints and severe human rights impacts	Disclosure Requirement S1-167 – Incidents of discrimination, complaints and other severe human rights incidents impacts	Comment/Rationale
ESRS as enacted in 2023	Draft Amended ESRS	
AR 103.In addition to the information required by paragraphs 103 and 104, the undertaking may disclose the status of incidents and/or complaints and actions taken with reference to the following:	AR 103.In addition to the information required by paragraphs 103 and 104, the undertaking may disclose the status of incidents and/or complaints and actions taken with reference to the following:	[DELETED] Removed in line with simplification based on EFRAG decision.
(a) incidents reviewed by the undertaking;	(a) incidents reviewed by the undertaking;	[DELETED] Removed in line with simplification based on EFRAG decision.
(b) remediation plans being implemented;	(b) remediation plans being implemented;	[DELETED] Removed in line with simplification based on EFRAG decision.

(c) remediation plans that have been implemented, with results reviewed through routine internal management review processes; and	(e) remediation plans that have been implemented, with results reviewed through routine internal management review processes; and	[DELETED] Removed in line with simplification based on EFRAG decision.
(d) incidents no longer subject to action.	(d) incidents no longer subject to action.	[DELETED] Removed in line with simplification based on EFRAG decision.
AR 104. If the undertaking compiles the information described in AR 105, it shall consider the following:	AR 104. If the undertaking compiles the information described in AR 105, it shall consider the following:	[DELETED] Removed in line with simplification based on EFRAG decision.
(a) an incident is no longer subject to action if it is resolved, the case is completed, or no further action is required by the undertaking. For example, an incident for which no further action is required can include cases that are withdrawn or where the underlying circumstances that led to the incident no longer exist;	(a) an incident is no longer subject to action if it is resolved, the case is completed, or no further action is required by the undertaking. For example, an incident for which no further action is required can include cases that are withdrawn or where the underlying circumstances that led to the incident no longer exist;	[DELETED] Removed in line with simplification based on EFRAG decision.
(b) remedial action is directed toward the alleged harasser and the alleged victim. Remedial action toward the victim may include offering to pay his/her expenses for counselling sessions, offering the victim some paid time off, offering to reinstate sick/vacation days if the victim has incurred any	(b) remedial action is directed toward the alleged harasser and the alleged victim. Remedial action toward the victim may include offering to pay his/her expenses for counselling sessions, offering the victim some paid time off, offering to reinstate sick/vacation days if the victim has incurred any expenses due to the harassment (such as having used sick or vacation days); and	[DELETED] Removed in line with simplification based on EFRAG decision.

expenses due to the harassment (such as having used sick or vacation days); and		
(c) remedial action toward the harasser may include giving the harasser a verbal and/or written warning, mandating anti-harassment counselling or sending the harasser to an appropriate seminar, harassment awareness and prevention training. A suspension without pay may also be an option. If the harasser has been disciplined earlier but his/her harassment does not cease, then more serious discipline may be required.	(e) remedial action toward the harasser may include giving the harasser a verbal and/or written warning, mandating anti-harassment counselling or sending the harasser to an appropriate seminar, harassment awareness and prevention training. A suspension without pay may also be an option. If the harasser has been disciplined earlier but his/her harassment does not cease, then more serious discipline may be required.	[DELETED] Removed in line with simplification based on EFRAG decision.
AR 105. Severe human rights incidents include instances of lawsuits, formal complaints through the undertaking or third-party complaint mechanisms, serious allegations in public reports or the media, where these are connected to the undertaking's own workforce, and the fact of the incidents is not disputed by the undertaking, as well as any other severe impacts of which the undertaking is aware.	AR 105. Severe human rights incidents include instances of lawsuits, formal complaints through the undertaking or third-party complaint mechanisms, serious allegations in public reports or the media, where these are connected to the undertaking's own workforce, and the fact of the incidents is not disputed by the undertaking, as well as any other severe impacts of which the undertaking is aware.	[DELETED] AR was removed, new wording of "human rights incidents" and scope in new [AR 36] and [AR 38] based on EFRAG decision. Removed reference to "severe" human rights incidents as significant amount of feedback received explained this created confusion with "severe human rights impacts". Clarification of what qualify as such incidents to be disclosed using a filtering process explained in ARs and consisting in 1) an incident is about human rights as delimited in new [AR 36]; 2) incidents are those responding to specific characteristics delimited in new [AR 38].
AR 106. In addition to the information required by paragraph 104 above, the undertaking may disclose the number of severe	AR 106. In addition to the information required by paragraph 104 above, the undertaking may disclose the number of severe human rights	[DELETED]

human rights incidents where the undertaking played a role securing remedy for those affected during the reporting period.	incidents where the undertaking played a role securing remedy for those affected during the reporting period.	Removed for simplification based on EFRAG decision making and input from information gathering.
	<p>AR 36. The human rights incidents in scope for this disclosure are <u>those that relate to not respecting internationally recognised human rights as defined in CSRD Article 29b (2) (b) (iii). These incidents are understood as the number of substantiated instances of:</u></p>	[NEW] Added for clarification based on EFRAG decision and clarification requests received from information gathering. This AR acts as a first filter to identify "human rights incidents" Reference to "substantiated" instances, suggesting the need for incidents to be based on evidence that is verifiable and objective.
	(a) <u>judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation and complaints filed with the National Contact Points for OECD Multinational Enterprises): and/or</u>	[NEW]
	(b) <u>incidents registered by the undertaking, including those it identified through its internal processes.</u>	[NEW]
	<p>AR. 37. The incidents of discrimination in scope for this disclosure are <u>those that relate to discrimination. These incidents are understood as the number of substantiated instances of:</u></p>	[NEW] Added for clarification based on EFRAG decision and clarification requests received from information gathering. This AR acts as a first filter to identify "incidents of discrimination"

		Reference to “substantiated” instances, suggesting the need for incidents to be based on evidence that is verifiable and objective
	<p><u>(a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation and complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or</u></p>	[NEW]
	<p><u>(b) incidents registered by the undertaking, including those identified through its internal processes.</u></p>	[NEW]
	<p><u>AR 38. When applying the filter of information materiality (paragraph 23 of ESRS 1 General Requirements) to the information about incidents referred to under paragraph 42 (a)(b), the undertaking's assessment is primarily based on the severity of the impacts own workforce.</u></p>	<p>[NEW]</p> <p>New [AR 38] added to clarify that the filtering process to identify incidents to be disclosed under new [AR 36] and AR [37] is centered on information materiality assessed primarily based on the severity of the impacts. The reference to the severity of the impacts is also aligned with wording used across ESRS and in international standards such as the UNGPs and OECD MNE Guidelines.</p>

	<p><u>AR 39. If the undertaking considers that changes in human rights incidents and incidents of discrimination are relevant for understanding the effectiveness and availability of channels to raise concerns or needs, including grievance mechanisms, it may cross-reference paragraph 42 (b) and paragraph 13.</u></p> <p><u>In accordance with ESRS 2 GDR-M, the undertaking shall disclose the methodology it used to compile the data on the incidents referred to in paragraph 42(a)(b).</u></p>	<p>[NEW]</p> <p>Added for clarity based on EFRAG's decision and clarification requests received from information gathering. The objective of this AR is to provide a better understanding of the situation behind numbers and better connect the incidents and the channels to raise concerns or needs.</p> <p>Contextual elements built on former DP 103(c) with editorial amendments.</p> <p>The methodology used to compile data was added by EFRAG as a new element to provide clarity on how measurement is conducted.</p>
	<p><u>AR 40. The way the undertaking has addressed or is addressing incidents referred to in paragraph 42(a)(b) may be cross-referenced to information disclosed in accordance with ESRS S1-3.</u></p>	<p>[NEW]</p> <p>Added by EFRAG to simplify and streamline reporting with new S1-3 and thus better connect incidents with actions taken to address these incidents.</p>
	<p><u>AR 41. This figure derives from the monetary amount recognised in the financial statements and it shall be disclosed in accordance with</u></p>	<p>[NEW]</p>

	<p><u>ESRS 1 paragraph 115 and 116. 'Fines, penalties and compensation'</u> <u>refers to those imposed on the undertaking through judicial and non-</u> <u>judicial proceedings.</u></p>	Added for clarity by EFRAG for this connectivity datapoint.
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