

 DRAFT

ESRS S1

OWN WORKFORCE

NOVEMBER 2025

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Objective

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:

- (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
- (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**.

The filter of materiality of information defined in ESRS 1 *General Requirements*, paragraph 23, remains applicable also to these two DRs.

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*.
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.
4. The objective of this Standard is also to enable an understanding of the extent to which the undertaking aligns or complies with the 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 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 EU legislation, including the EU labour law acquis.
5. This Standard sets out DRs related to the undertaking's **own workforce**, in particular with respect to the following sub-topics:
 - (a) working conditions (including **adequate wages, work-life balance**, working time, secure employment, **social protection**);
 - (b) **social dialogue**, freedom of association, works councils, participation rights of workers and **collective bargaining**;
 - (c) health and safety;
 - (d) **training** and skills development;
 - (e) diversity and **equal treatment** (including gender equality, equal **pay** for work of equal value, employment and inclusion of **people with disabilities**, non-discrimination, anti-harassment); and
 - (f) other labour-related human rights (including **child labour, forced labour**, privacy and adequate housing).
6. The undertaking's **own workforce** includes (i) people who are in an employment relationship with the undertaking ('**employees**') and (ii) people who, for the purposes of reporting under ESRS, are called '**non-employees**' in the undertaking's own workforce. The latter comprise people with contracts with the reporting undertaking to supply labour ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78). 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*.

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:
- (a) self-employed persons in the undertaking’s own workforce, which could include:
 - 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);
 - 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
 - (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’).

Interaction with other topical ESRS

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:
- (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;
 - (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
 - (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.

Disclosure Requirements

Impacts, risks and opportunities management

Disclosure Requirement S1-1 – *Policies related to own workforce*

9. (19 amended) The undertaking shall describe its **policies** for managing material **impacts**, **risks** and **opportunities** related to its **own workforce** in accordance with ESRS 2 GDR-P. It shall state whether these 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.
10. (22 amended) The undertaking shall state whether its **policies** in relation to its **own workforce** address trafficking in human beings¹, **forced labour** or compulsory labour, and **child labour**.

APPLICATION REQUIREMENTS

AR 1 for para. 9	(AR 14 amended) Examples of policy aspects to disclose are the means of communication the undertaking uses to communicate its policies to the individuals, groups of individuals or entities for whom they are relevant, either because they are expected to implement
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¹ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts, as set out by Indicator #11 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (‘Lack of processes and measures for preventing trafficking in human beings’).

(Policies related to own workforce)	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).
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Disclosure Requirement S1-2 – Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy

11. (26 amended) The objective of this DR is to enable an understanding of 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**.
12. (27 amended) The undertaking shall disclose how it engages directly with its **own workforce** or **workers' representatives** and how the perspectives of its own workforce inform its decisions or activities aimed at managing the **actual** and **potential impacts** on its own workforce during the reporting year. This shall include:
 - (a) (28 amended) how the undertaking gains 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 with disabilities**) if the undertaking takes action to understand those perspectives; and
 - (b) (27(d) amended) the **Global Framework Agreements ('GFA')** or other 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.
13. (32(b)(c)(e) amended) The undertaking shall describe the channels available to its **own workforce** to bring their concerns or needs directly to its attention and have them addressed. In particular, it shall state whether it has a **grievance mechanism** in place.² It shall also explain how it assesses the effectiveness of these channels.
14. (32(a) amended) The undertaking shall describe its general approach to and **processes to provide or cooperate in remediation** where it has caused or contributed to a material negative **impact** on people in its **own workforce**.

APPLICATION REQUIREMENTS

AR 2 for para. 12 (Engagement)	(AR 19 amended) Engagement with the undertaking's own workforce can take different forms, such as information sessions, consultation or participation, and take place at different intervals.
AR 3 for para. 13 (Grievance mechanism)	<p>(AR 32 amended) 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.</p> <p>(33 amended) 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.</p>

² This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts, as set out by Indicator #5 in Table III of Annex I and by Indicator #11 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Lack of grievance/complaints handling mechanisms related to employee matters' and 'Lack of processes and compliance mechanisms to monitor compliance with the UNGPs and the OECD Guidelines for Multinational Enterprises').

Disclosure Requirement S1-3 – Actions and resources related to own workforce

15. (37 amended) The undertaking shall describe the key **actions** and resources used to manage its material positive and negative **impacts, risks** and **opportunities** related to its **own workforce** in accordance with ESRS 2 GDR-A.
16. (38(a)(b)(d) amended) In relation to material negative **impacts** on its **own workforce**, the undertaking shall describe:
- (a) its key **actions** taken, planned or underway to prevent, mitigate and **remediate** material negative impacts on its own workforce, including its approach in situations where tensions arise between such actions and other business pressures; and
 - (b) how it tracks and assesses the effectiveness of these actions 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.

APPLICATION REQUIREMENTS

<p>AR 4 for para. 16</p> <p>(Key actions)</p>	<p>(AR 34 and AR 35 amended) 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.</p> <p>This disclosure requirement also applies to key actions to provide, cooperate in, or enable remediation in cases of actual negative impacts. 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.</p>
<p>AR 5 for para. 16</p> <p>(Climate transition)</p>	<p>(AR 43 amended) The undertaking 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 <i>General Requirements</i>. This applies to measures taken to mitigate negative impacts on its own workforce that arise from the transition to a low-carbon and climate-resilient economy. For example, downscaling or mass dismissal may occur when a factory is closed, and this could lead to measures such as intra-company placements or early retirement plans with an impact on the employees. Other examples include current and/or expected external developments that influence dependencies that are sources of just transition risks.</p>

Metrics and targets

Disclosure Requirement S1-4 – Targets related to own workforce

17. (46 amended) The undertaking shall disclose qualitative and/or quantitative **targets** related to its **own workforce** in accordance with ESRS 2 GDR-T.

APPLICATION REQUIREMENTS

<p>AR 6 for para. 17</p> <p>(Tracking performance)</p>	<p>(47(b)(c) amended) 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.</p> <p>In particular, in relation to the tracking of performance, such engagement can inform the understanding of the effectiveness of the</p>
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	undertaking's management of material negative impacts and the identification of lessons learnt or improvements.
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Disclosure Requirement S1-5 – Characteristics of the undertaking's employees

18. (49 amended) The objective of this DR is to provide insight into the undertaking's approach to employment practices, including security of employment for its **own workforce**. It also serves as the basis for calculating certain quantitative **metrics** required by other DRs in this Standard and provides contextual information for those metrics.
19. (50 amended) The undertaking shall disclose:
- (a) the total number of **employees** by headcount and breakdowns by gender and by country for the countries in which it has 50 or more employees and that are the ten largest countries in terms of employee numbers;
 - (b) the total number by headcount or full time equivalent (FTE) of:
 - i. permanent employees with a breakdown by gender;
 - ii. temporary employees with a breakdown by gender;
 - iii. **non-guaranteed hours employees**;
 - (c) the rate of employee turnover in the reporting period; and
 - (d) a qualitative explanation in case there is an inconsistency between information reported under point (a) above and the most representative number reported in the financial statements.

APPLICATION REQUIREMENTS

AR 7 for para. 19(b) (Definition of distinct types of employees)	(AR 56 amended) The definitions of permanent, temporary and non-guaranteed hours employees differ among 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. Country-level data shall then be added up to calculate the total numbers.								
AR 8 for para. 19 (Methodological context information)	(New) 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.								
AR 9 for para. 19(a) (Presentation tables – employee headcount)	<p>(AR 55 amended) The undertaking shall present the requested disclosures either in a narrative format or in the following tabular formats.</p> <p><i>Table 1: Template for presenting information on employee headcount by gender</i></p> <table><tr><th>Gender</th><th>Number of employees (headcount) – current reporting period</th><th>Number of employees (headcount) – previous reporting period</th></tr><tr><td>Male</td><td></td><td></td></tr></table>			Gender	Number of employees (headcount) – current reporting period	Number of employees (headcount) – previous reporting period	Male		
Gender	Number of employees (headcount) – current reporting period	Number of employees (headcount) – previous reporting period							
Male									

	<table><tr><td>Female</td><td></td><td></td></tr><tr><td>Other</td><td></td><td></td></tr><tr><td>Not reported</td><td></td><td></td></tr><tr><td>Total employees</td><td></td><td></td></tr></table>	Female			Other			Not reported			Total employees				
	Female														
	Other														
	Not reported														
	Total employees														
<p>In some Member States, it is possible for persons to legally register themselves 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> <p><i>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</i></p> <table><tr><th>Country</th><th>Number of employees (headcount) – current reporting period</th><th>Number of employees (headcount) – previous reporting period</th></tr><tr><td>Country A</td><td></td><td></td></tr><tr><td>Country B</td><td></td><td></td></tr><tr><td>Country C</td><td></td><td></td></tr><tr><td>Country D</td><td></td><td></td></tr></table>	Country	Number of employees (headcount) – current reporting period	Number of employees (headcount) – previous reporting period	Country A			Country B			Country C			Country D		
Country	Number of employees (headcount) – current reporting period	Number of employees (headcount) – previous reporting period													
Country A															
Country B															
Country C															
Country D															
AR 10 for para. 19(b) (Presentation table – employee headcount breakdown)	<p>(AR 55 amended) The undertaking shall present the information either as narrative text or using the following table.</p> <p><i>Table 3: Template for presenting information on employees by contract type, broken down by gender (headcount or FTE)</i></p>														

	FEMALE	MALE	OTHER*	NOT REPORTED	TOTAL
	Number of permanent employees (headcount / FTE) – Current reporting period				
	Number of permanent employees (headcount / FTE) – Previous reporting period				
	Number of temporary employees (headcount / FTE) – Current reporting period				
	Number of temporary employees (headcount / FTE) – Previous reporting period				
	Number of non-guaranteed hours employees (headcount / FTE)				
	n/a	n/a	n/a	n/a	
	*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.				
	In some countries, non-guaranteed hours contracts may be considered permanent or temporary contracts in accordance with national legislation.				
AR 11 For para. 19(c) (Calculation employee turnover)	(AR 59 amended) For the employee turnover calculation, the undertaking shall divide the number of employees who leave voluntarily or due to dismissal, retirement or death in service by the average employee headcount.				

Disclosure Requirement S1-6 – Characteristics of non-employees in the undertaking's own workforce

20. (54 amended) The objective of this DR is to enable an understanding of how much the undertaking relies on **non-employees** as part of its **own workforce**.
21. (55(a) amended) The undertaking shall disclose the total number of **non-employees** in the undertaking's **own workforce**.

APPLICATION REQUIREMENTS

AR 12 for para. 21 (Materiality considerations for non-employees)	(NEW) 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,
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	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.
AR 13 for para. 21 (Calculation method and use of estimates)	(55(b) amended) 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. (AR 63 amended) If the undertaking cannot report exact figures, it shall apply the provisions in ESRS 1 <i>General Requirements</i> regarding estimates.

Disclosure Requirement S1-7 – Collective bargaining coverage and social dialogue

22. (59 amended) The objective of this DR is to enable an understanding of the coverage of **collective bargaining** agreements and **social dialogue** for the undertaking's **employees**.
23. (60 amended) The undertaking shall disclose the following information in relation to **collective bargaining**:
- (a) the percentage of its total **employees** covered by collective bargaining agreements;
 - (b) in the European Economic Area (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, which are the EEA countries disclosed in paragraph 19(a) above; and
 - (c) outside the EEA, the percentage of its employees covered by collective bargaining agreements by region.
24. (63 amended) The undertaking shall disclose the following information in relation to **social dialogue** for EEA countries:
- (a) the percentage of **employees** covered by **workers' representatives**, reported at the country level for each EEA country in which the undertaking has significant employment, as calculated in accordance with paragraph 23(b) above; and
 - (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.

APPLICATION REQUIREMENTS

AR 14 for para. 23(a) (Calculation collective bargaining coverage)	<p>(AR 66 amended) The percentage of employees covered by collective bargaining agreements shall be calculated using the following formula, based on employee headcount:</p> $\frac{\text{Number of employees covered by collective bargaining agreements}}{\text{Number of employees}} \times 100$ <p>(AR 67 amended) 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</p>
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	undertaking’s own workforce covered by more than one collective bargaining agreement shall only be counted once.																																																							
AR 15 for paras. 23 and 24 (Presentation table – collective bargaining coverage)	<p>(AR 70 amended) 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><tr><th></th><th colspan="4">Collective Bargaining Coverage</th><th colspan="2">Social dialogue</th></tr><tr><th rowspan="2">Coverage Rate</th><th colspan="2">Employees – EEA (for countries with > 50 employees included in the ten largest countries)</th><th colspan="2">Employees – non-EEA</th><th colspan="2">Workplace representation (EEA only) (for the EEA countries with > 50 employees included in the ten largest countries)</th></tr><tr><th>Current reporting period</th><th>Previous reporting period</th><th>Current reporting period</th><th>Previous reporting period</th><th>Current reporting period</th><th>Previous reporting period</th></tr><tr><td>0–19%</td><td></td><td></td><td>Region A</td><td></td><td></td><td></td></tr><tr><td>20–39%</td><td>Country A</td><td></td><td>Region B</td><td></td><td></td><td></td></tr><tr><td>40–59%</td><td>Country B</td><td></td><td></td><td></td><td>Country A</td><td></td></tr><tr><td>60–79%</td><td></td><td></td><td></td><td></td><td>Country B</td><td></td></tr><tr><td>80–100%</td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>		Collective Bargaining Coverage				Social dialogue		Coverage Rate	Employees – EEA (for countries with > 50 employees included in the ten largest countries)		Employees – non-EEA		Workplace representation (EEA only) (for the EEA countries with > 50 employees included in the ten largest countries)		Current reporting period	Previous reporting period	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%						
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80–100%																																																								
AR 16 for para. 24(a) (Calculation social dialogue coverage)	<p>(AR 69 amended) For calculating the information required by paragraph 24(a), the undertaking shall identify in which EEA countries it has significant employment. For each of these countries, it shall report the percentage of employees 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> <div><div></div><div>x 100</div></div> <p><i>Number of employees</i></p>																																																							

Disclosure Requirement S1-8 – Diversity metrics

25. (65 amended) The objective of this DR is to enable an understanding of gender diversity at top management level.
26. (66(a) amended) The undertaking shall disclose the gender distribution in number (headcount) and percentage at top management level.

APPLICATION REQUIREMENTS

AR 17 for para. 26 (Calculation gender distribution at top management level)	(AR 71 amended) For the purposes of calculating the gender distribution at top management level, ‘top management’ is defined as the two levels below the administrative and supervisory bodies. Alternatively, the undertaking may use its own definition of ‘top management’, in which case it shall disclose the definition it has used.
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Disclosure Requirement S1-9 – Adequate wages

27. (68 amended) The objective of this DR is to enable an understanding of whether or not the undertaking’s **employees** are paid an **adequate wage** and the benchmark the undertaking uses for its assessment.
28. (69 and 70 amended) The undertaking shall disclose whether or not its **employees** are paid an **adequate wage** and the benchmarks it uses to determine adequate wages with country-level context. If employees are not paid an adequate wage, the undertaking shall disclose the countries and the percentage of employees concerned.

APPLICATION REQUIREMENTS

AR 18 for para. 28 (Adequate wages)	(69 amended) If all employees are paid an adequate wage , stating this and the benchmarks used for its assessment is sufficient to fulfil this requirement.
AR 19 for para. 28 (Calculation of adequate wage)	(AR 72 amended) The basis of this calculation is the lowest wage among the undertaking’s employees , excluding interns and apprentices. This 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 if the relevant adequate minimum wage is defined at sub-national level.
AR 20 for para. 28 (Adequate wage benchmarks)	(AR 73 amended) The adequate wage benchmark used for comparison with the lowest wage shall not be lower than: <ul style="list-style-type: none"> (a) in the 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; (b) outside of the EU: <ul style="list-style-type: none"> i. the adequate minimum wage established 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

³ Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (OJ L 275, 25.10.2022, p. 33).

	<p>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.</p>
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Disclosure Requirement S1-10 – Social protection

29. (73 amended) The objective of this 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.
30. (74 amended) If the undertaking's **employees** lack **social protection** through public programmes or through benefits offered by the undertaking itself, it shall disclose the countries of operation where the following major life events are not covered by existing social protection programmes:
- (a) sickness;
 - (b) unemployment starting from when the **employee** is working for the undertaking;
 - (c) employment injury and acquired disability; and
 - (d) maternity leave.

Disclosure Requirement S1-11 – Persons with disabilities

31. (78 amended) The objective of this DR is to enable an understanding of the extent to which **persons with disabilities** are included among the undertaking's **employees**.
32. (79 amended) The undertaking shall disclose the percentage of **persons with disabilities** amongst its **employees**, subject to legal restrictions on the collection of data.

APPLICATION REQUIREMENTS

AR 21 for para. 32	(New) 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.
(Data collection for persons with disabilities)	(AR 76 amended) In accordance with ESRS 2 GDR-M, the undertaking shall disclose the calculation methodology, data types and sources used as input. This may consist, for example, of voluntary employee surveys or information from mandatory disability quotas reported by the undertaking.

Disclosure Requirement S1-12 – Training and skills development metrics

33. (82 amended) The objective of this 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 skills and facilitate continued employability.
34. (83 amended) The undertaking shall disclose the following information for the reporting period:
- (a) the percentage of **employees** that participated in formalised performance and career development reviews; and
 - (b) the average number of **training** hours per employee.

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<p>AR 22 for para. 34(a)</p> <p>(Calculation performance review)</p>	<p>(AR 77 amended) A 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 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 34(a), the undertaking shall use the employee headcount figures from ESRS S1-5 in the denominator as follows:</p> <p><i>(# employees who participated in formalised performance and career development review / # employees according to S1 – 5) * 100.</i></p>
<p>AR 23 for para. 34(b)</p> <p>(Calculation average training hours)</p>	<p>(AR 78 amended) 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 divided by total number of employees. For the calculation of the total average training hours, the headcount figures for total employment reported in ESRS S1-5 shall be used.</p>

Disclosure Requirement S1-13 – Health and safety metrics

35. (87 amended) The objective of this DR is to enable an understanding of the coverage, quality and performance of the **occupational safety and health management system** established to prevent work-related accidents, ill-health and fatalities.
36. (88 amended) The undertaking shall disclose the following information for the reporting period:
- (a) the percentage of people in its own workforce who are covered by the undertaking's occupational safety and health management system based on legal requirements and/or on recognised standards or guidelines⁴;
 - (b) subject to legal restrictions, the sum of:
 - i. the number of fatalities from **recordable work-related 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
 - ii. the number of fatalities from recordable work-related ill health among its employees;
 - (c) the number and rate of **recordable work-related accidents**;⁵
 - (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

⁴ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impact, as set out by Indicator #1 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Investments in companies without workplace accident prevention policies').

⁵ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts, as set out by Indicator #2 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Rate of accidents'), and benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816, as set out by indicator 'Weighted average ratio of accidents, injuries, fatalities' in Sections 1 and 2 of Annex II.

- (e) with regard to the undertaking's employees, the number of days lost to recordable work-related accidents and recordable work-related ill health.⁶

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.

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<p>AR 24 for para. 36(a)</p> <p>(Occupational safety and health management system coverage)</p>	<p>(AR 80 amended) The percentage of the undertaking's <i>own workforce</i> that is covered by its <i>occupational safety and health management system</i> shall be disclosed on a headcount basis rather than a full-time equivalent basis.</p>
<p>AR 25 for para. 36(c)</p> <p>(Calculation of recordable work-related accidents)</p>	<p>(AR 89 amended) When computing the rate of recordable work-related accidents, the undertaking shall divide the number of cases by the number of total hours worked by people in its <i>own workforce</i>, multiplied by 1 000 000. This represents the number of cases per one million hours worked and roughly corresponds to the total hours worked by 500 full-time workers in one year.</p> <p>If national law in the countries where the undertaking's <i>employees</i> 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.</p> <p>(AR 90 amended) If the undertaking 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.</p>
<p>AR 26 for para. 36(c)</p> <p>(Fatalities from recordable work-related accidents)</p>	<p>(AR 91 amended) Fatalities that result from <i>recordable work-related accidents</i> are included in this figure.</p>
<p>AR 27 for para. 36(d)</p> <p>(Cases of recordable work-related ill health)</p>	<p>(AR 93 and 94 amended) '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 through medical surveillance during the reporting period. In this context, work-related musculoskeletal disorders are covered under work-related ill health (and not under work-related injuries).</p>
<p>AR 28 for para. 36(e)</p> <p>(Days lost)</p>	<p>(AR 95 amended) The number of days lost shall include the first full day and the last day of absence. Calendar days shall be used for the count. Days on which the affected individual is not scheduled for work (for example weekends, public holidays) will therefore count as days lost.</p>

⁶ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts, as set out by Indicator #3 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Number of days lost to injuries, accidents, fatalities or illness').

Disclosure Requirement S1-14 – Work-life balance metrics

37. (92 amended) The objective of this DR is to enable an understanding of the entitlement of the undertaking's **employees** to take **family-related leave**, which includes maternity leave, paternity leave, parental leave and carers' leave.
38. (93(a) amended) The undertaking shall disclose the percentage of **employees** entitled to take **family-related leave** during the reporting period.

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AR 29 for para. 38 (Family leave entitlement)	(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.
AR 30 for para. 38 (Employees entitled to family leave)	(AR 97 amended) For the purposes of paragraph 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.

Disclosure Requirement S1-15 – Remuneration metrics

39. (96 amended) The objective of this DR is to enable an understanding of the gap in **pay** between women and men amongst the undertaking's **employees** and of the level of remuneration inequality within the undertaking.
40. (97(a)(b) amended) The undertaking shall disclose:
- (a) the gender **pay** gap defined as the difference in average pay levels between female and male **employees**, expressed as a percentage of the average pay level of male employees;⁷ 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

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AR 31 for para. 40(a) (Calculation of gender pay gap)	<p>(AR 98 amended) The gender pay gap disclosure in accordance with paragraph 40(a) shall include all male and female employees' gross hourly pay level and be calculated as follows:</p> $\frac{\text{Average gross hourly pay level of male employees} - \text{average gross hourly pay level of female employees}}{\text{Average gross hourly pay level of male employees}} \times 100$
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⁷ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts, as set out by Indicator #12 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Unadjusted gender pay gap'), and benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816, as set out by indicator 'Weighted average gender pay gap' in Sections 1 and 2 of Annex II.

⁸ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts, as set out by Indicator #8 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Excessive CEO pay ratio').

<p>AR 32 for para. 40(a)</p> <p>(Calculation of gender pay gap)</p>	<p>(New) When compiling the information required by paragraph 40(a), the undertaking shall:</p> <ul style="list-style-type: none"> (a) include all male and female employees; (b) include the ordinary basic salary; and (c) include any other remuneration made available to all employees, whether in cash or in-kind, which the employee receives directly or indirectly (complementary or variable components) in respect of his/her employment from his/her employer.
<p>AR 33 for para. 40(a)</p> <p>(Unadjusted gender pay gap)</p>	<p>(New) 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.</p>
<p>AR 34 for para. 40(a)(b)</p> <p>(Methodological context information)</p>	<p>(AR 99 amended) 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.</p>
<p>AR 35 for para. 40(b)</p> <p>(Annual total remuneration calculation)</p>	<p>(AR 101 amended) When compiling the information required by paragraph 40(b), the undertaking shall:</p> <ul style="list-style-type: none"> (a) include all employees; (b) include base salary, which is the sum of guaranteed, short-term and non-variable cash compensation; (c) include, depending on the undertaking's remuneration policies, all of the following: <ul style="list-style-type: none"> i. benefits in cash, such as cash allowances, bonuses, commissions, cash profit-sharing and other forms of variable cash payments; ii. benefits in-kind, such as cars, private health insurance, life insurance and wellness programs; and iii. 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); (d) apply the following formula for the annual total remuneration ratio: <div style="margin-left: 20px;"> $\frac{\text{Annual total remuneration for the undertaking's highest paid individual}}{\text{Median employee annual total remuneration (excluding the highest – paid individual)}}$ </div>

Disclosure Requirement S1-16 – Incidents of discrimination and other human rights incidents

41. (101 amended) The objective of this DR is to allow an understanding of the extent to which **incidents of discrimination** and other **human rights incidents** affect the undertaking's **own workforce**.
42. (103(a)(c) and 104(a)(b) amended) The undertaking shall disclose:
 - (a) subject to relevant privacy regulations, the 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**, including **harassment**, identified in the reporting period;⁹

- (b) subject to relevant privacy regulations, the number of **human rights incidents** connected to its **own workforce** identified in the reporting period, excluding those that relate to discrimination, which are reported according to paragraph 42(a);¹⁰ and
- (c) the total amount of fines, penalties and compensation for damages recognised during the reporting period in the financial statements for incidents of discrimination and other human rights incidents.

The incidents from the sub-paragraph above relate to sub-topics to be reported following the materiality assessment .

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<p>AR 36 for para. 42(b)</p> <p>(Human rights incidents)</p>	<p>(New) The human rights incidents in scope for this disclosure are 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:</p> <ul style="list-style-type: none"> (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 (b) incidents registered by the undertaking, including those it identified through its internal processes.
<p>AR 37 for para. 42(a)</p> <p>(Incidents of discrimination)</p>	<p>(New) The incidents of discrimination in scope for this disclosure are those that relate to discrimination. These incidents are understood as the number of substantiated instances of:</p> <ul style="list-style-type: none"> (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 (b) incidents registered by the undertaking, including those it identified through its internal processes.
<p>AR 38 for para. 42(a)(b)</p> <p>(Human rights incidents and incidents of discrimination)</p>	<p>(New) When applying the filter of information materiality (paragraph 23 of ESRS 1 <i>General Requirements</i>) 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 on its own workforce.</p>

⁹ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts, as set out by Indicator #7 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Incidents of discrimination').

¹⁰ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory and additional indicator related to principal adverse impacts, as set out by Indicator #10 in Table I of Annex I, and by Indicator #14 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Violations of the UNGPs and OECD Guidelines for Multinational Enterprises' and 'Number of identified cases of severe human rights issues and incidents'), and the information needs of benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816, as set out by indicator 'Number of benchmark constituents subject to social violations' (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law' in Sections 1 and 2 of Annex II.

<p>AR 39 for para. 42</p> <p>(Human rights incidents and incidents of discrimination)</p>	<p>(New) 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.</p> <p>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).</p>
<p>AR 40 for para. 42(a)(b)</p> <p>(Remedy or actions related to incidents disclosed)</p>	<p>(New) 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.</p>
<p>AR 41 for para. 42(c)</p> <p>(Connectivity with financial statement data)</p>	<p>(New) This figure derives from the monetary amount recognised in the financial statements and it shall be disclosed in accordance with ESRS 1 paragraph 115 and 116. ‘Fines, penalties and compensation’ refers to those imposed on the undertaking through judicial and non-judicial proceedings.</p>



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