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## **ESRS S1 – *Own Workforce* - V1**

**November 2025**

***UNAPPROVED DRAFT***

## Table of contents

Objective .....	3
Interaction with other topical ESRS .....	4
Disclosure Requirements .....	4
<b>Impact, risk and opportunity management .....</b>	<b>4</b>
Disclosure Requirement S1-1 – Policies related to own workforce .....	4
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 .....	5
Disclosure Requirement S1-3 – Actions and resources related to own workforce .....	5
<b>Metrics and targets .....</b>	<b>6</b>
Disclosure Requirement S1-4 – Targets related to own workforce .....	6
Disclosure Requirement S1-5 – Characteristics of the undertaking’s employees .....	6
Disclosure Requirement S1-6 – Characteristics of non-employees in the undertaking’s own workforce .....	9
Disclosure Requirement S1-7 – Collective bargaining coverage and social dialogue .....	9
Disclosure Requirement S1-8 – Diversity metrics .....	11
Disclosure Requirement S1-9 – Adequate wages .....	12
Disclosure Requirement S1-10 – Social protection .....	13
Disclosure Requirement S1-11 – Persons with disabilities .....	13
Disclosure Requirement S1-12 – Training and skills development metrics .....	13
Disclosure Requirement S1-13 – Health and Safety metrics .....	14
Disclosure Requirement S1-14 – Work-life balance metrics .....	16
Disclosure Requirement S1-15 – Remuneration metrics .....	16
Disclosure Requirement S1-16 – Incidents of discrimination and other human rights incidents .....	17

## 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** and cover the reporting areas listed in paragraph 5 of ESRS 1. When only one particular sub-topic prescribed by this Standard is material, paragraph 30 of ESRS 1 applies subject to the following exceptions:
  - (a) Disclosure Requirement ('DR') ESRS S1-5 shall be fulfilled when the undertaking concludes that **own workforce** is a material topic and
  - (b) DR ESRS S1-6 shall be fulfilled when **non-employees** in the undertaking's own workforce are assessed as material.

The filter of materiality of information defined in ESRS 1 paragraph 23 is applicable 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*. The objective of this 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 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.
3. In this Standard, each DR is introduced by a disclosure objective, with the exception of **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 disclosures.
4. 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 equal work, 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).
5. An 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*.
6. 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 (also referred to as contractors) 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); and
  - ii. self-employed persons hired by the undertaking to deliver the work/service directly at the workplace of a client of the undertaking.
- (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**

7. Social and environmental **topics** closely interact with each other. The main points of interaction between ESRS S1 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*, ESRS S4 *Consumers and End-Users*, are aligned in terms of content and structure and are closely 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** that 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 climate-neutral economy is a source of impacts, risks and opportunities for ESRS S1 *Own workforce*.

## **Disclosure Requirements**

### **Impact, risk and opportunity management**

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

8. (19 amended) The undertaking shall describe its **policies** for managing the 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.
9. (22 amended) The undertaking shall state whether its **policies** in relation to its **own workforce** address trafficking in human beings<sup>1</sup>, **forced labour** or compulsory labour and **child labour**.

### **APPLICATION REQUIREMENTS**

<b>AR 1 for para. 8</b> <b>(Policies related to own workforce)</b>	(AR 14 amended) The means of communication the undertaking uses to communicate its <b>policies</b> to 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 <b>employees</b> , contractors and <b>suppliers</b> ) or because they have a direct interest in their implementation (for example, people in its <b>own workforce</b> , investors), are examples of policy aspects to disclose.
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<sup>1</sup> 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').

**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**

10. (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 approach to **remedy**.
11. (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 are marginalised (for example, women, migrants, **persons with disabilities**), if the undertaking takes action to understand those perspectives; and
  - (b) (27d 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.
12. (32b, c and 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.<sup>2</sup> It shall also explain how it assesses the effectiveness of these channels.
13. (32a 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**

<b>AR 2 for para. 11</b> <b>(Engagement)</b>	(AR 19 amended) Engagement with the undertaking’s <b>own workforce</b> can take different forms, such as information, consultation or participation, and occur at different frequencies.
<b>AR 3 for para. 12</b> <b>(Grievance mechanism)</b>	<p>(AR 32 amended) The ‘effectiveness criteria for non-judicial <b>grievance mechanisms</b>’, 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 <b>policies</b> for protecting individuals that use these channels against retaliation, including <b>workers’ representatives</b>, and they are disclosed under DR ESRS G1-1, the undertaking may refer to that disclosure.</p>

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

14. (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.
15. (38a, b and d amended) In relation to material negative **impacts** on its **own workforce**, the undertaking shall describe:

<sup>2</sup> 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’).

- (a) key **actions** to provide **remediation** in relation to actual material negative impacts or taken, planned or underway to prevent and mitigate potential 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><b>AR 4 for para. 14</b></p> <p><b>(Key actions)</b></p>	<p>(AR 34 and AR 35 amended) The <b>actions</b> taken by the undertaking differ depending on its connection to the <b>impact</b> (causation, contribution, direct linkage) and how it has identified the actions as appropriate for addressing material impacts.</p> <p>Key actions to prevent, mitigate or remediate impacts include the use of different types of <b>leverage</b> and/or collective actions taken through multi-stakeholder and/or industry initiatives.</p>
<p><b>AR 5 for para. 14</b></p> <p><b>(Climate transition)</b></p>	<p>(AR 43 amended) The undertaking shall present its <b>actions</b> in a way that allows an understanding of the connections that exist between different <b>topics</b>, in accordance with Chapters 3.2 and 9.1 of ESRS 1 <i>General Requirements</i>. This applies to measures taken to mitigate negative <b>impacts</b> on its <b>own workforce</b> that arise from the transition to a greener, climate-neutral economy; for example, downscaling or mass dismissal may occur when a factory is closed and this could lead to measures like intra-company placements or early retirement plans with an impact on the <b>employees</b>. Other examples include, current and/or expected external developments that influence <b>dependencies</b> that are sources of just <b>transition risks</b>.</p>

#### Metrics and targets

##### **Disclosure Requirement S1-4 – Targets related to own workforce**

16. (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><b>AR 6 for para. 16</b></p> <p><b>(Tracking performance against targets)</b></p>	<p>(47b and c amended) Engagement with the undertaking's <b>own workforce</b> or <b>workers' representatives</b> can inform the undertaking's tracking and assessment of the effectiveness of its <b>actions</b> disclosed under paragraph 15(b), including the development of target-setting, <b>metrics</b>, and/or tracking of performance against those <b>targets</b>. 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 <b>impacts</b> and the identification of lessons learnt or improvements.</p>
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##### **Disclosure Requirement S1-5 – Characteristics of the undertaking's employees**

17. (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.

18. (50 amended) The undertaking shall disclose:

- (a) the total number of **employees** by head count, 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 head count or full time equivalent (FTE) of:
  - i. permanent employees and breakdown by gender;
  - ii. temporary employees and 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 of inconsistency between information reported under point (a) above and the most representative number in the financial statements.

#### APPLICATION REQUIREMENTS

AR 7 for para. 18(b)  (Definition of distinct types of employees)	(AR 56 amended) The definitions of permanent, temporary, and <b>non-guaranteed hours employees</b> 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. 18  (Methodological context information)	(NEW) In accordance with ESRS 2 GDR-M paragraph 49, the undertaking shall disclose the method used to calculate and compile <b>employee</b> data (for example, at the end of the reporting year or as an average) and provide contextual information.																		
AR 9 for para. 18(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 <b>employee</b> head count by gender.</i></p> <table><tr><th>Gender</th><th>Number of employees (head count) – current reporting period</th><th>Number of employees (head count) – previous reporting period</th></tr><tr><td>Male</td><td></td><td></td></tr><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> <p>In some Member States, it is possible for persons to legally register themselves as having a third gender option, 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.</p>	Gender	Number of employees (head count) – current reporting period	Number of employees (head count) – previous reporting period	Male			Female			Other			Not reported			Total Employees		
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Female																			
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Not reported																			
Total Employees																			

	<p>Table 2: Template for presenting employee head count in the ten largest countries in terms of number of employees, where the undertaking has at least 50 employees</p> <table><tr><th>Country</th><th>Number of employees (head count) – current reporting period</th><th>Number of employees (head count) – 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 (head count) – current reporting period	Number of employees (head count) – previous reporting period	Country A			Country B			Country C			Country D																																					
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<p>AR 10 for para. 18(b) (Presentation table employee headcount breakdown)</p>	<p>(AR 55 amended) The undertaking shall present the information either as narrative text or using the following table.</p> <p>Table 3: Template for presenting information on <b>employees</b> by contract type, broken down by gender (head count or FTE)</p> <table><tr><th>FEMALE</th><th>MALE</th><th>OTHER*</th><th>NOT REPORTED</th><th>TOTAL</th></tr><tr><td colspan="5">Number of permanent employees (head count / FTE) – Current reporting period</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5">Number of permanent employees (head count / FTE) – Previous reporting period</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5">Number of temporary employees (head count / FTE) – Current reporting period</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5">Number of temporary employees (head count / FTE) – Previous reporting period</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5"><p>* In some Member States, it is possible for persons to legally register as having a third gender option, 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.</p></td></tr></table> <p>In some countries, non-guaranteed hours contracts may be considered permanent or temporary contracts, in accordance with national legislation.</p>	FEMALE	MALE	OTHER*	NOT REPORTED	TOTAL	Number of permanent employees (head count / FTE) – Current reporting period										Number of permanent employees (head count / FTE) – Previous reporting period										Number of temporary employees (head count / FTE) – Current reporting period										Number of temporary employees (head count / FTE) – Previous reporting period										<p>* In some Member States, it is possible for persons to legally register as having a third gender option, 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.</p>				
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<p>AR 11 For para. 18(c) (Calculation employee turnover)</p>	<p>(AR 59 amended) For the <b>employee</b> 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 head count.</p>																																																		



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

19. (54 amended) The objective of this DR is to provide an understanding of how much the undertaking relies on **non-employees** as part of its **own workforce**.
20. (55a amended) The undertaking shall disclose the total number of **non-employees** in the undertaking's **own workforce**.

**APPLICATION REQUIREMENTS**

<b>AR 12 for para. 20</b> <b>(Materiality considerations for non-employees)</b>	<p>(NEW) This DR is applicable if <b>non-employees</b> within the undertaking's <b>own workforce</b> are connected to significant <b>impacts, risks</b> and <b>opportunities</b> related to own workforce. This situation arises if non-employees are a key part of the undertaking's <b>business model</b>, for example if they are used to provide flexible labour or if they are used in key processes. <b>Dependencies</b> 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 significant 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>
<b>AR 13 for para. 20</b> <b>(Calculation method and use of estimates)</b>	<p>(55b amended) The total number of <b>non-employees</b> shall be calculated either in terms of headcount or full-time equivalents (FTE), and it shall be reported either as at 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.</p> <p>(AR 63 amended) If the undertaking cannot report exact figures, it shall apply the ESRS 1 provisions regarding estimates.</p>

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

21. (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**.
22. (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 18(a) above; and
  - (c) outside the EEA, the percentage of its employees covered by collective bargaining agreements by region.
23. (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 22(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

<div>AR 14 for para. 22(a) (Calculation collective bargaining coverage)</div>	<div>(AR 66 amended) The percentage of <b>employees</b> covered by <b>collective bargaining</b> agreements shall be calculated using the following formula, using employee headcount.</div> <div><div><div>Number of employees covered by collective bargaining agreements</div><div><div></div><div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></div><div><div></div></div></div></div><div><div></div><div><div></d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	<p>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> <hr/> <p><i>Number of employees</i></p>
	<p>x 100</p>

**Disclosure Requirement S1-8 – Diversity metrics**

24. (65 amended) The objective of this DR is to enable an understanding of gender diversity at top management level.
25. (66a amended) The undertaking shall disclose the gender distribution in number (head count) and percentage at top management level.

## APPLICATION REQUIREMENTS

AR 17 for para. 25 (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. However, the undertaking can 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**

26. (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 .
27. (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 the adequate wages with country-level context. If employees are not paid an adequate wage, it shall disclose the countries and the percentage of employees concerned.

## APPLICATION REQUIREMENTS

AR 18 for para. 27 (Adequate wages)	(69 amended) If all <b>employees</b> are paid an <b>adequate wage</b> , stating this and the benchmarks used for its assessment is sufficient to fulfil this requirement.
AR 19 for para. 27 (Calculation of adequate wage)	(AR 72 amended) The basis of this calculation is the lowest <b>wage</b> among the undertaking's <b>employees</b> , 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. 27 (Adequate wage benchmark hierarchy)	<p>(AR 73 amended) The <b>adequate wage</b> benchmark used for comparison with the lowest <b>wage</b> shall not be lower than:</p> <ul style="list-style-type: none"> <li>(a) in the EU: the wage level established through <b>collective bargaining</b> or the statutory minimum wage set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council<sup>3</sup> on adequate minimum wages in the EU;</li> <li>(b) outside of the EU: <ul style="list-style-type: none"> <li>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</li> <li>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 take into account the ILO principles on estimating a living wage.</li> </ul> </li> </ul>

<sup>3</sup> 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).

**Disclosure Requirement S1-10 – Social protection**

28. (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.
29. (74 amended) If the undertaking's **employees** lack **social protection** through public programs 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 programs:
- (a) sickness;
  - (b) unemployment starting from when the **own worker** is working for the undertaking;
  - (c) employment injury and acquired disability; and
  - (d) maternity leave.

**Disclosure Requirement S1-11 – Persons with disabilities**

30. (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**.
31. (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**

<b>AR 21 for para. 31</b> <b>(Data collection for persons with disabilities)</b>	<p>(NEW) The DR about <b>persons with disabilities</b> 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.</p> <p>(AR 76 amended) In accordance with ESRS 2 GDR-M paragraph 49(a), the undertaking shall disclose the calculation methodology, data types and sources used as input. This may, for example, consist of of voluntary <b>employee</b> surveys or information from mandatory disability quotas reported by the undertaking.</p>
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**Disclosure Requirement S1-12 – Training and skills development metrics**

32. (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.
33. (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;
  - (b) the average number of **training** hours per employee.

**APPLICATION REQUIREMENTS**

<b>AR 22 for para. 33(a)</b> <b>(Calculation performance review)</b>	<p>(AR 77 amended) A formalised performance and career development review is defined as a review based on criteria known to the <b>employee</b> 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 employee's</p>
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	<p>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 33(a), the undertaking shall use the employee headcount figures from DR ESRS S1-5 in the denominator as follows:</p> $\left( \frac{\text{\# employees who participated in formalised performance and career development review}}{\text{\# employees according to S1 – 5}} \right) * 100.$
<p><b>AR 23 for para. 33(b)</b></p> <p><b>(Calculation average training hours)</b></p>	<p>(AR 78 amended) The average number of <b>training</b> hours required by paragraph 33(b) shall be calculated as follows: total number of training hours offered to and completed by <b>employees</b> divided by total number of employees. For the calculation of the total average training hours, the head count figures for total employment reported in DR ESRS S1-5 shall be used.</p>

#### **Disclosure Requirement S1-13 – Health and Safety metrics**

34. (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.
35. (88 amended) 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**:
- (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 guidelines<sup>4</sup>;
  - (b) subject to legal restrictions, the sum of:
    - i. the number of fatalities from **work-related accidents** among all people in the undertaking's own workforce as well as other workers that work on its **sites**; and
    - ii. the number of fatalities from work-related ill health among its employees;
  - (c) the number and rate of recordable work-related accidents;<sup>5</sup>
  - (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

<sup>4</sup> 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').

<sup>5</sup> 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 section 1 and 2 of Annex II.

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

If DR ESRS S1-6 is material for the undertaking it shall report the information under points (b and (c) of the preceding sub-paragraph also for its non-employees.

#### APPLICATION REQUIREMENTS

<b>AR 24 for para. 35(a) (Occupational safety and health management system coverage)</b>	(AR 80 amended) The percentage of the undertaking's <b>own workforce</b> that is covered by its occupational safety and health management system shall be disclosed on a head count basis rather than a full-time equivalent basis.
<b>AR 25 for para. 35(c) (Calculation work-related accidents)</b>	<p>(AR 89 amended) When computing the rate of <b>work-related accidents</b>, the undertaking shall divide the number of cases by the number of total hours worked by people in its <b>own workforce</b>, 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. If national law in the countries where the undertaking's <b>employees</b> work defines 'work-related accidents' in a different way than the ESRS Glossary definition of 'work-related accident' the undertaking may use the national definition. In that case, it shall disclose this fact.</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>
<b>AR 26 for para. 35(c) (Fatalities from work-related injuries)</b>	(AR 91 amended) Fatalities that result from recordable <b>work-related accidents</b> are included in this figure.
<b>AR 27 for para. 35(d) (Cases of work-related ill health)</b>	(AR 93 and 94 amended) 'Cases of work-related ill health' in paragraph 35(d) refers to cases of work-related ill-health about which the undertaking has been informed by 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).
<b>AR 28 for para. 35(e) (Days lost)</b>	(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 lost days.

<sup>6</sup> 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**

36. (92 amended) The objective of this DR is to provide 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.
37. (93a amended) The undertaking shall disclose the percentage of **employees** entitled to take **family-related leave** during the reporting period.

**APPLICATION REQUIREMENTS**

<b>AR 29 for para. 37 (Family leave entitlement)</b>	(94 amended) If all of the undertaking's <b>employees</b> are entitled to all four types of <b>family-related leave</b> through social policy and/or <b>collective bargaining</b> agreements, it is sufficient to disclose the overall percentage to comply with paragraph 37. Contextual information, as per ESRS 2 GDR-M, may address the types of family-related leave entitlements, for example, if the undertaking's employees are only entitled to two of the four types.
<b>AR 30 for para. 37 (Employees entitled to family leave)</b>	(AR 97 amended) For the purposes of paragraph 37, <b>employees</b> entitled to <b>family-related leave</b> are those who are covered by regulations, organisational <b>policies</b> , agreements, contracts or <b>collective bargaining</b> agreements that contain family-related leave entitlements.

**Disclosure Requirement S1-15 – Remuneration metrics**

38. (96 amended) The objective of this DR is to allow 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.
39. (97a and 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;<sup>7</sup> 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).<sup>8</sup>

**APPLICATION REQUIREMENTS**

<b>AR 31 for para. 39(a) (Calculation gender pay gap)</b>	<p>(AR 98 amended) The gender <b>pay</b> gap disclosure in accordance with paragraph 39(a) shall include all male and female <b>employees'</b> gross hourly pay level and be calculated as follows:</p> $\frac{\text{(Average gross hourly pay level of male employees - average gross hourly pay level of female employees)}}{\text{Average gross hourly pay level of male employees}} \times 100$
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<sup>7</sup> 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.

<sup>8</sup> 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').



	<i>Average gross hourly pay level of male employees</i>
<b>AR 32 for para. 39(a) (Calculation of gender pay gap)</b>	<p>(NEW) When compiling the information required by paragraph 39(a), the undertaking shall:</p> <ul style="list-style-type: none"> <li>(a) include all male and female <b>employees</b>;</li> <li>(b) include the ordinary basic salary; and</li> <li>(c) consider and 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.</li> </ul>
<b>AR 33 for para. 39(a) (Unadjusted gender pay gap)</b>	<p>(NEW) Paragraph 39(a) requires a disclosure of the unadjusted gender pay gap, which measures the overall difference in average <b>pay</b> between male and female <b>employees</b> 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>
<b>AR 34 for para. 39(a) and (b) (Methodological context information)</b>	<p>(AR 99 amended) In accordance with ESRS 2 GDR-M paragraph 49(a), the undertaking shall disclose the methodology and/or how the data has been compiled.</p>
<b>AR 35 for para. 39(b) (Annual total remuneration calculation)</b>	<p>(AR 101 amended) When compiling the information required by paragraph 39(b), the undertaking shall:</p> <ul style="list-style-type: none"> <li>(a) include all <b>employees</b>;</li> <li>(b) include base salary, which is the sum of guaranteed, short-term, and non-variable cash compensation</li> <li>(c) consider, depending on the undertaking's remuneration <b>policies</b>, all of the following: <ul style="list-style-type: none"> <li>i. benefits in cash, such as cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments;</li> <li>ii. benefits in kind, such as cars, private health insurance, life insurance, wellness programs; and</li> <li>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).</li> </ul> </li> <li>(d) apply the following formula for the <b>annual total remuneration</b> ratio: <div style="margin-left: 20px;"> <math display="block">\frac{\text{Annual total remuneration for the undertaking's highest paid individual}}{\text{Median employee annual total remuneration (excluding the highest - paid individual)}}</math> </div> </li> </ul>

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

40. (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**.

41. (103a, c and 104a, b amended) The undertaking shall disclose:

- (a) subject to the 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;<sup>9</sup>
- (b) subject to the 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 41(a);<sup>10</sup> 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 assessed as material by the undertaking.

#### APPLICATION REQUIREMENTS

<b>AR 36 for para. 41(b)</b> <b>(Human rights incidents)</b>	<p>(NEW) The <b>human rights incidents</b> in scope for this disclosure are those that relate to not respecting internationally recognised human rights as defined in CSRD Art. 29b (2) (b) (iii). These incidents are understood as the number of substantiated instances of:</p> <p>(a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation, complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or</p> <p>(b) incidents registered by the undertaking, including those it identified through its internal processes.</p>
<b>AR 37 for para. 41(a)</b> <b>(Incidents of discrimination)</b>	<p>(NEW) The <b>incidents of discrimination</b> in scope for this disclosure are those that relate to <b>discrimination</b>. These incidents are understood as the number of substantiated instances of:</p> <p>(a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation, complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or</p> <p>(b) incidents registered by the undertaking, including those it identified through its internal processes.</p>
<b>AR 38 for para. 41(a) and (b)</b> <b>(Human rights incidents and incidents of discrimination)</b>	<p>(NEW) When applying the filter of information <b>materiality</b> (paragraph 23 of ESRS 1) to the information about incidents referred to under paragraph 41 (a) and (b), the undertaking's assessment is primarily based on the severity of the <b>impacts</b> on its <b>own workforce</b>.</p>

<sup>9</sup> 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').

<sup>10</sup> 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 Section 1 and 2 of Annex II.

<b>AR 39 for para. 41</b> <b>(Contextual information)</b>	<p>(NEW) In accordance with ESRS 2 GDR-M paragraph 49(d), to allow a proper understanding of the significant changes in performance, whether an increase in incidents being reported by or to the undertaking may reflect improvements in the effectiveness and availability of channels to raise concerns, including <b><i>grievance mechanisms</i></b>, can be provided as contextual information.</p> <p>In addition, it shall disclose the methodology it has used to compile the data on the incidents referred to in paragraph 41(a) and (b).</p>
<b>AR 40 for para. 41(a) and (b)</b> <b>(Remedy or actions related to incidents disclosed)</b>	<p>(NEW) The way the undertaking has addressed or is addressing incidents referred to in paragraph 41(a) and (b) may be cross-referenced to DR ESRS S1-3.</p>
<b>AR 41 for para. 41(c)</b> <b>(Connectivity with financial statement data)</b>	<p>(NEW) This figure derives from the monetary amount recognised in the financial statements, but no formal reconciliation or cross-referencing with the financial statements is required in the <b><i>sustainability statement</i></b>. ‘Fines, penalties and compensation’ refer to those imposed on the undertaking through judicial and non-judicial proceedings.</p>