

# **EFRAG-Konsultation „European Sustainability Reporting Standards“**

## **Fragebogen**

### ***3C. Adequacy of Disclosure Requirements – Social standards***

**VORLÄUFIGER ARBEITSSTAND der BEURTEILUNG der ED ESRS  
durch das DRSC**

### 3C. Adequacy of Disclosure Requirements – Social standards

For the purpose of the questions included in this section, respondents are encouraged to consider the following:

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

#### DR S1-1 – Policies relate to own workforce

The undertaking shall state its policies that address the management of its material impacts on own workforce, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on the undertaking’s own workforce specifically, as well as policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the workers whose interests they address, are made aware of their existence and content.

#### Q70: Please, rate to what extent do you think S1-1 – Policies relate to own workforce

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)			X			
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information		X				
E. Reaches a reasonable cost / benefit balance		X				
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		

I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities					X	
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**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRS S1. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q45.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S1-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies (Disclosure Requirement S1-1.14, ESRS S1 AG 11). Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S1-1. No additional information besides the link should be required.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S1 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S1 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

**For part G, please explain how you think further alignment could be reached**

The reference table 2 in the Basis for Conclusions to the draft ESRS S1 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S1. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: The focus should be on the summary of the content of the policies (Disclosure Requirement S1-1.14, ESRS S1 AG 11). The high volume of granular information carries the risk of information overload.

A: Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required. (Disclosure Requirement S1-1.17).

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

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**DR S1-2 – Processes for engaging with own workers and workers’ representatives about impacts**

The undertaking shall explain its general processes for engaging with its own workers and workers' representatives about actual and potential material impacts on its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with its own workers and workers' representatives about material, actual and potential, positive and/or negative impacts that do, or may, affect its own workforce.

**Q71: Please, rate to what extent do you think S1-2 – Processes for engaging with own workers and workers’ representatives about impacts**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

**DR S1-3 – Channels for own workers and workers' representatives to raise concerns**

The undertaking shall describe:

- (a) the channels it has in place for own workers and workers' representatives to raise their concerns or needs directly with the undertaking, and / or
- (b) the processes through which the undertaking supports the availability of such channels through the workplace of own workers, and
- (c) how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which the undertaking's own workers and workers' representatives can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of their own workers and workers' representatives, how follow up is done with these own workers and workers' representatives regarding the issues raised, and the effectiveness of these channels.

**Q72: Please, rate to what extent do you think S1-3 – Channels for own workers and workers' representatives to raise concerns**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

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**DR S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain any outcome-oriented targets it may have related to:

- (a) Reducing negative impacts on its own workforce, and/or
- (b) Advancing positive impacts on its own workforce, and/or
- (c) Managing material risks and opportunities related to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing its negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.

**Q73: Please, rate to what extent do you think S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: We recommend additional clarification that this list of topic-specific targets can be both extended and shortened (ESRS S1 AG 53).

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

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**DR S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions**

The undertaking shall explain:

- (a) What action is planned or underway to prevent, mitigate or remedy material negative impacts on its own workforce that are connected to its operations, products or services,
- (b) Any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for its own workforce, and
- (c) How it assesses the effectiveness of these actions, programmes and processes in delivering outcomes or its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of processes, initiatives or engagements through which the undertaking:

- (a) Works to prevent, mitigate and remedy material impacts on its own workforce, or
- (b) Seeks to achieve positive impacts for its own workforce, recognizing that in both instances, the ultimate aim is to deliver improved outcomes in workers’ lives.

**Q74: Please, rate to what extent do you think S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S1-5 and S1-6 implement the principle of double materiality: DR S1-5 aims to prevent, mitigate or remedy material negative impacts on the own workforce while DR S1-6 aims to prevent, mitigate or remedy material negative impacts on the undertaking itself. Provided our understanding is correct, we agree with the content of DR S1-5 and S1-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S1-5 is about the risks and opportunities arising from the undertaking's operations on employees, while DR S1-6 is about the risks and opportunities arising for the undertaking due to employee-related issues

ENTWURF

## DR S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce

The undertaking shall explain:

- (a) What action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workers, and
- (b) What action is planned or underway to pursue material opportunities for the undertaking in relation to own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing material risks and pursuing material opportunities related to its own workforce.

### Q75: Please, rate to what extent do you think S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S1-5 and S1-6 implement the principle of double materiality: DR S1-5 aims to prevent, mitigate or remedy material negative impacts on the own workforce while DR S1-6 aims to prevent, mitigate or remedy material negative impacts on the undertaking itself. Provided our understanding is correct, we agree with the content of DR S1-5 and S1-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S1-5 is about the risks and opportunities arising from the undertaking's operations on employees, while DR S1-6 is about the risks and opportunities arising for the undertaking due to employee-related issues

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## DR S1-7 – Characteristics of the undertaking’s employees

The undertaking shall describe key characteristics of employees in its own workforce

The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement ESRS S1-8, to provide insight into the undertaking’s approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

### Q76: Please, rate to what extent do you think S1-7 – Characteristics of the undertaking’s employees

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability		X				
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance		X				
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

### For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

In addition, see our comment to Q 76 part A below.

### For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: We understand that with the proposed DR, the information needs of all relevant stakeholder groups should be satisfied. In this respect, the data on the diversity of the company's employees may be interesting for certain stakeholders, even if this KPIs have no management relevance.

EFRAG proposes that the breakdown for total employees is to be provided for each the country in which it has 50 or more employees. As explained in BC101, this threshold is chosen because it is a significant threshold for application of the EU Information and Consultation Directive (2002/14/EC).

We assume that the companies will be able (with significant effort) to collect the data proposed in DR S1-7 and to disclose it in the sustainability reports. However, the proposed low threshold of 50 employees will result in companies having to collect very large amounts of data in very large tables and include these large amounts of data in their sustainability reports. This will lead to an enormous amount of work on the preparer side and an information overload on the user side. In our view, to result in relevant information, the disclosure requirement needs to address meaningful content but in addition it needs to strike the appropriate balance regarding the extent/volume of information required by this DR. Information overload results in less relevant information. For this reason, we consider the information about the key characteristics of employees generally to be relevant, but the specific DR S1-7 will, in our view, result in the disclosure of less relevant information.

In addition, the required breakdown for total employees at the proposed low threshold of 50 employees may allow conclusions to be drawn about individual persons (e.g., in case of only few women working in a country), which is very questionable for data protection reasons.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.



## DR S1-8 – Characteristics of non-employee workers in the undertaking’s own workforce

The undertaking shall describe key characteristics of non-employee workers in its own workforce.

The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement S1-7, to provide insight into the undertaking’s approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

### Q77: Please, rate to what extent do you think S1-8 – Characteristics of non-employee workers in the undertaking’s own workforce

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-9 – Training and skills development indicators

The undertaking shall disclose the extent to which training and development is provided to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the training and skills development-related activities that have been offered to own workers, within the context of continuous professional growth, to upgrade own workers' skills and facilitate continued employability.

### Q78: Please, rate to what extent do you think S1-9 – Training and skills development indicators

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are**

**providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-10 – coverage of the health and safety management system

The undertaking shall disclose information on the extent to which its own employees are covered by its health and safety management system.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the coverage of the undertaking's management system to prevent harm and promote health amongst the undertaking's employees.

### Q79: Please, rate to what extent do you think S1-10 – coverage of the health and safety management system

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are**

**providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

### DR S1-11 – Performance of the health and safety management system

The undertaking shall disclose the number of incidents associated with work-related injuries, ill health and fatalities of its own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the quality and performance of the established health and safety management system to prevent work-related incidents. The undertaking shall provide the following information to comply with paragraph this Disclosure Requirement:

- (a) the number of fatalities as a result of work-related injuries and work-related ill health;
- (b) the number and rate<sup>1</sup> of recordable work-related injuries;
- (c) the number of cases of recordable work-related ill health; and
- (d) the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

#### Q80: Please, rate to what extent do you think S1-11 – Performance of the health and safety management system

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

#### For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

#### For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF



**(Optional) DR S1-12 – Working hours**

The undertaking shall disclose the percentage of its own workers that exceed 48 hours of work per week over the applicable reference period.

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether the undertaking respects the thresholds established by the EU and ILO standards on weekly working hours (48 hours per week over a reference period) to protect own workers’ physical and mental health and their safety and work-life balance.

**Q81: Please, rate to what extent do you think S1-12 – Working hours**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-13 – Work-life balance indicators

The undertaking shall disclose to which extent the employees are entitled to and make use of family-related leaves.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the actual practices amongst the employees to take family-related leave in a gender equitable manner.

### Q82: Please, rate to what extent do you think S1-13 – Work-life balance indicators

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability		X				
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: The data to comply with the proposed DR S1-13 will be regularly available or readily ascertainable at companies. However, we consider the relevance and the decision usefulness

of this information to be questionable. Information on whether employees are entitled to family-related leaves provides an understanding of whether the undertaking voluntarily provides this kind of social benefits in case it is not required to do it by law. This information may therefore be relevant to stakeholders. In contrast, the usefulness of information on the proportion of eligible employees who have made use of it is highly questionable, as this information is based on the personal decision-making reasons of the employees and less on the actions taken by the undertaking. In this respect, we recommend to reconsider this disclosure requirement.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-14 – Fair remuneration

The undertaking shall disclose information on the remuneration of its lowest-paid own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether all of an undertaking's own workers are earning a fair wage, and, if this is not the case, an understanding of what percentage of own workers are earning less than a fair wage.

### Q83: Please, rate to what extent do you think S1-14 – Fair remuneration

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured			X			
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

In addition, the main critical point regarding DR S1-14 is:

Companies will regularly not be able to obtain the data requested in AG 143 on non-employee workers for data protection reasons, as this data would reveal the margins of the employment placement agencies.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: The fair remuneration is extremely important and is increasingly required by the sustainability audits. In this respect, we agree with EFRAG that undertakings shall disclose information about whether all of an undertaking's own workers are earning a fair wage. However, in our view, the informational usefulness, and the relevance of this specific DR as proposed by EFRAG is questionable since this DR is very simplified.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-15 – Social security eligibility coverage

The undertaking shall disclose the percentage of its own workers eligible for social security.

The principle to be followed under this Disclosure Requirement is to understand whether there are own workers of the undertaking that are not eligible for social security and, as a result, are especially vulnerable to major social risks.

### Q84: Please, rate to what extent do you think S1-15 – Social security eligibility coverage

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements.

Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF



## DR S1-16 – Pay gap between women and men

The undertaking shall disclose the percentage gap in pay between women and men.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of any gap in the pay between women and men amongst the undertaking's employees.

### Q85: Please, rate to what extent do you think S1-16 – Pay gap between women and men

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: We consider the disclosure of the percentage gap in pay between women and men to be very important. However, the usefulness of the information required under the proposed DR

S1-16 is questionable in our view. The information about any gap in the pay between women and men can only be understood meaningfully when it has been compiled for comparable type of work. AG 146 proposes that an undertaking may report “information regarding how objective factors such as type of work and country of employment influence the male-female pay gap”. However, we are of the opinion, that these factors shall be considered when disclosing the information about the male-female pay gap. Therefore, we recommend reconsidering the calculation of this disclosure requirement.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-17 – Annual total compensation ratio

The undertaking shall disclose the ratio between the compensation of its highest paid individual and the median compensation for its employees.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the level of compensation inequality inside the undertaking, whether wide pay disparities exist and how such disparities have evolved over time.

### Q86: Please, rate to what extent do you think S1-17 – Annual total compensation ratio

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-18 – Discrimination incidents related to equal opportunities

The undertaking shall disclose the number of work-related discrimination incidents, any corrective actions taken during the reporting period and any related material fines or sanctions.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the incidence of work-related discrimination, including sexual and non-sexual harassment, the corrective actions that the undertaking has taken for its own workforce, and any related material fines and sanctions.

### Q87: Please, rate to what extent do you think S1-18 – Discrimination incidents related to equal opportunities

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are**

**providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-19 – Employment of persons with disabilities

The undertaking shall disclose the percentage of persons with disabilities amongst its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which persons with disabilities are included in an undertaking's workforce, and its composition by gender.

### Q88: Please, rate to what extent do you think S1-19 – Employment of persons with disabilities

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured		X				
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

C: We would like to point out the issue of data protection: For some DR, German companies may have difficulties to collect and to disclose the data because of the legal data protection regulations. E.g., an employee is not required to inform the employer of his/her disability and degree of disability. Since this information is voluntary, it is not possible for the company to reliably collect the data necessary to comply with the proposed DR S1-19. Also in other countries, e.g., China, such a data is considered highly sensitive.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF



## DR S1-20 – Differences in the provision of benefit to employees with different employment contract types

The undertaking shall disclose information on benefits which are standard for full-time permanent employees but are not provided to employees with temporary, part-time and non-guaranteed hour contracts.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which certain employees (those with temporary, part-time and/or non-guaranteed hour contracts) do not receive the same benefits as full-time, permanent employees.

### Q89: Please, rate to what extent do you think S1-20 – Differences in the provision of benefits to employees with different employment contract types

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability		X				
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance		X				
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

### For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

In addition, main critical points regarding DR S1-20 are:

Collecting the data to comply with the DR S1-20 can be challenging. A company has to record all employment contract types separately and group them together depending on the benefits for employees in order to subsequently disclosure the differences in the provision of benefits. We consider the disclosure of information required under the DRS S1-20 to be too detailed and too complex.

### For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-21 – Grievances and complaints related to other work-related rights

The undertaking shall state the number of grievances and complaints received and resolved relating to workers’ other work-related rights.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking’s grievance mechanism or channel. This is the mechanism or channel through which those workers whose other work-related rights are impacted by the undertaking are able to lodge a concern or complaint, and that can provide access to remedy by resolving those complaints. Furthermore, it is to provide an understanding of the number of complaints raised and resolved at National Contact Points for OECD Multinationals.

### Q90: Please, rate to what extent do you think S1-21 – Grievances and complaints related to other work-related rights

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-22 – Collective bargaining coverage

The undertaking shall disclose information on the extent to which the working conditions and terms of employment of its own workforce are determined or influenced by collective bargaining agreements.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the importance of collective bargaining agreements for its own workforce.

### Q91: Please, rate to what extent do you think S1-22 – Collective bargaining coverage

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has

not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-23 – Work stoppages

The undertaking shall disclose the extent of major work stoppages (including both strikes and lockouts) because of disputes between the undertaking and its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of worker disputes and their impact on the undertaking's operations.

### Q92: Please, rate to what extent do you think S1-23 – Work stoppages

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has

not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF



## DR S1-24 – Social dialogue

The undertaking shall disclose the extent and functioning of social dialogue with workers' representatives of its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the institutional prerequisites for social dialogue in the undertaking exist and the extent to which rights to social dialogue are respected in the undertaking's operations, particularly for those which are located in the European Economic Area (EEA).

### Q93: Please, rate to what extent do you think S1-24 – Social dialogue

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-25 – Identified cases of severe human rights issues and incidents

The undertaking shall disclose the number of severe human rights issues and incidents connected to own workforce which occurred in the reporting year.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which severe human rights issues (e.g. forced labour, human trafficking or child labour) and incidents affecting the undertaking's own workforce through its activities or business relationships occurred in the reporting year.

### Q94: Please, rate to what extent do you think S1-25 – Identified cases of severe human rights issues and incidents

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating**

**to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S1-26 – Privacy at work

The undertaking shall disclose the right to privacy at work for its own workforce.

The principle underlying this Disclosure Requirement is to provide an understanding of an undertaking's measures on personal data protection concerning its workforce and the nature and extent of worker surveillance that is conducted.

### Q95: Please, rate to what extent do you think S1-26 – Privacy at work

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance				X		
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q70 F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q70 G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper

assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S2-1 - Policies related to value chain workers

The undertaking shall state its policies that address the management of its material impacts on value chain workers, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on value chain workers specifically, as well as policies that cover material risks or opportunities related to value chain workers, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the value chain workers whose interests they address, are made aware of their existence and content.

### Q96: Please, rate to what extent do you think S2-1 – Policies related to value chain workers

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information		X				
E. Reaches a reasonable cost / benefit balance		X				
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

### For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRs S2. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q46.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S2-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies. Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S2-1. No additional information besides the link should be required.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S2 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S2 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

**For part G, please explain how you think further alignment could be reached**

The reference table in the Basis for Conclusions to the draft ESRS S2 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S2. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: The focus should be on the summary of the content of the policies. The high volume of granular information carries the risk of information overload.

A: Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required.

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has



not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S2-2 - Processes for engaging with value chain workers about impacts

The undertaking shall explain its general processes for engaging with value chain workers and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with value chain workers and related trade union and worker representatives about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of value chain workers are taken into account in the decision-making processes of the undertaking.

### Q97: Please, rate to what extent do you think S2-2 – Processes for engaging with value chain workers about impacts

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured			X			
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q96.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q96.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q96.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are**

**providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S2-3 – Channels for value chain workers to raise concerns

The undertaking shall describe:

- (a) the channels it has in place for value chain workers to raise their concerns or needs directly with the undertaking; and/or
- (b) the processes through which the undertaking supports the availability of such channels through the workplace of value chain workers; and
- (c) how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which value chain workers can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of value chain workers, how there is follow up with these workers regarding the issues raised and the effectiveness of these channels.

### Q98: Please, rate to what extent do you think S2-3 – Channels for value chain workers to raise concerns

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q96.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q96.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q96.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

**DR S2-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain the outcome-oriented targets it may have related to:

- (a) reducing negative impacts on value chain workers; and/or
- (b) advancing positive impacts on value chain workers; and/or
- (c) managing material risks and opportunities related to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing negative impacts, and/or advancing positive impacts, on value chain workers, and/or in managing material risks and opportunities related to value chain workers.

**Q99: Please, rate to what extent do you think S2-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q96.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q96.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q96.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S2-5 - Taking action on material impacts on value chain workers and effectiveness of those actions

The undertaking shall explain:

- (a) what action is planned or underway to prevent, mitigate or remedy material negative impacts on value chain workers that are connected to its operations, products or services;
- (b) any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for value chain workers; and
- (c) how it assesses the effectiveness of these actions, programmes and processes in delivering intended outcomes for value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking (a) works to prevent, mitigate and remedy material impacts on value chain workers, or (b) seeks to achieve positive impacts for value chain workers, recognising that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

### Q100: Please, rate to what extent do you think S2-5 – Taking action on material impacts on value chain workers and effectiveness of those actions

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q96.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q96.F.



**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q96.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S2-5 and S2-6 implement the principle of double materiality: DR S2-5 aims to prevent, mitigate or remedy material negative impacts on the value chain workers while DR S2-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S2-5 and S2-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S2-5 is about the risks and opportunities arising from the undertaking's operations on the value chain workers, while DR S2-6 is about the risks and opportunities arising for the undertaking due to the value chain workers issues.

ENTWURF

## DR S2-6 - Approaches to mitigating material risks and pursuing material opportunities related to value chain workers

The undertaking shall explain:

(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on value chain workers; and

(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to workers in its value chain.

### Q101: Please, rate to what extent do you think S2-6 – Approaches to mitigating material risks and pursuing material opportunities related to value chain workers

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q96.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q96.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q96.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S2-5 and S2-6 implement the principle of double materiality: DR S2-5 aims to prevent, mitigate or remedy material negative impacts on the value chain workers while DR S2-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S2-5 and S2-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S2-5 is about the risks and opportunities arising from the undertaking's operations on the value chain workers, while DR S2-6 is about the risks and opportunities arising for the undertaking due to the value chain workers issues.

ENTWURF

### DR S3-1 – Policies related to affected communities

The undertaking shall state its policies that address the management of its material impacts on communities, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on local communities specifically, as well as policies that cover material risks or opportunities related to affected communities, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the local communities whose interests they address, are made aware of their existence and content.

#### Q102: Please, rate to what extent do you think S3-1 – Policies related to affected communities

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information		X				
E. Reaches a reasonable cost / benefit balance		X				
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

#### For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRs S3. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q47.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S3-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies. Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S3-1. No additional information besides the link should be required.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S3 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S3 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

**For part G, please explain how you think further alignment could be reached**

The reference table in the Basis for Conclusions to the draft ESRS S3 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S3. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: The focus should be on the summary of the content of the policies. The high volume of granular information carries the risk of information overload.

A: Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required.

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S3-2 – Processes for engaging with affected communities about impacts

The undertaking shall explain its general processes for engaging with affected communities and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with affected communities about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of affected communities are taken into account in the decision-making processes of the undertaking.

### Q103: Please, rate to what extent do you think S3-2 – Processes for engaging with affected communities about impacts

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured			X			
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q102.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q102.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

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### DR S3-3 – Channels for affected communities to raise concerns

The undertaking shall describe:

- (a) the channels it has in place for affected communities to raise their concerns or needs directly with the undertaking; and/or
- (b) the processes through which the undertaking supports the availability of such channels by its business relationships; and
- (c) how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which affected communities can make their concerns and needs known directly to the undertaking, and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these communities regarding the issues raised, and the effectiveness of these channels.

#### Q104: Please, rate to what extent do you think S3-3 – Channels for affected communities to raise concerns

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q102.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q102.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

**DR S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain the outcome-oriented targets it may have related to:

- (a) reducing negative impacts on affected communities; and/or
- (b) advancing positive impacts on affected communities; and/or
- (c) managing material risks and opportunities related to affected communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on affected communities.

**Q105: Please, rate to what extent do you think S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q102.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q102.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

**DR S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions**

**Q106: Please, rate to what extent do you think S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q102.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q102.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without

a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S3-5 and S3-6 implement the principle of double materiality: DR S3-5 aims to prevent, mitigate or remedy material negative impacts on affected communities while DR S3-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S3-5 and S3-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S3-5 is about the risks and opportunities arising from the undertaking's operations on affected communities, while DR S3-6 is about the risks and opportunities arising for the undertaking due to affected communities.

ENTWURF

## DR S3-6 - Approaches to mitigating material risks and pursuing material opportunities related to affected communities

The undertaking shall explain:

- (a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on local communities; and
- (b) what action is planned or underway to pursue material opportunities for the undertaking in relation to local communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to affected communities.

### Q107: Please, rate to what extent do you think S3-6 – Approaches to mitigating material risks and pursuing material opportunities related to affected communities

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q102.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q102.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S3-5 and S3-6 implement the principle of double materiality: DR S3-5 aims to prevent, mitigate or remedy material negative impacts on affected communities while DR S3-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S3-5 and S3-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S3-5 is about the risks and opportunities arising from the undertaking's operations on affected communities, while DR S3-6 is about the risks and opportunities arising for the undertaking due to affected communities.

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**DR S4-1 – Policies related to consumers and end-users**

The undertaking shall state its policies that address the management of its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of impacts on consumers and end-users specifically, as well as policies that cover material risks or opportunities related to consumers and end-users, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the consumers and end-users whose interests they address, are made aware of their existence and content.

**Q108: Please, rate to what extent do you think S4-1 – Policies related to consumers and end-users**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			X			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information		X				
E. Reaches a reasonable cost / benefit balance		X				
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ERS S4. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q48.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S4-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies. Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S4-1. No additional information besides the link should be required.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S4 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S4 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

**For part G, please explain how you think further alignment could be reached**

The reference table in the Basis for Conclusions to the draft ESRS S4 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S3. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

A: The focus should be on the summary of the content of the policies. The high volume of granular information carries the risk of information overload.

A: Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required.

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S4-2 – Processes for engaging with consumers and end-users about impacts

The undertaking shall explain its general processes for engaging with consumers and end-users and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with consumers and end-users about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of consumers and end-users are taken into account in the decision-making processes of the undertaking.

### Q109: Please, rate to what extent do you think S4-2 – Processes for engaging with consumers and end-users about impacts

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured			X			
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q108.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q108.G.

**Please share any comment and suggestion for improvement you might have relating**

**to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

### DR S4-3 – Channels for consumers and end-users to raise concerns

The undertaking shall describe:

- (a) the channels it has in place for consumers and end-users to raise their concerns/complaints or needs directly with the undertaking; and/or
- (b) the processes through which the undertaking supports the availability of mechanisms by its business relationships; and
- (c) how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which consumers and end-users can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these consumers and end-users regarding the issues raised, and the effectiveness of these channels.

#### Q110: Please, rate to what extent do you think S4-3 – Channels for consumers and end-users to raise concerns

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q108.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q108.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

**DR S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain the outcome-oriented targets it may have related to:

- (a) reducing negative impacts on consumers and end-users; and/or
- (b) advancing positive impacts on consumers and end-users; and/or
- (c) managing material risks and opportunities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on consumers and end-users.

**Q111: Please, rate to what extent do you think S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q108.F.



**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q108.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

ENTWURF

## DR S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions

The undertaking shall explain:

- (a) what action is planned or underway to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services;
- (b) any additional initiatives or processes it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and end-users; and
- (c) how it assesses the effectiveness of these actions, programmes and processes in contributing to intended outcomes for consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking:

- (a) works to prevent, mitigate and remedy material impacts on consumers and end-users, and
- (b) seeks to achieve positive impacts for consumers and end-users, recognising that in both instances, the ultimate aim is to deliver improved outcomes for consumers' and end-users' lives.

### Q112: Please, rate to what extent do you think S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q108.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q108.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S4-5 and S4-6 implement the principle of double materiality: DR S4-5 aims to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services while DR S4-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S4-5 and S4-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S4-5 is about the risks and opportunities arising from the undertaking's operations on consumers and end-users, while DR S4-6 is about the risks and opportunities arising for the undertaking its impacts and dependencies on consumers and end-users.

## DR S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users

The undertaking shall explain:

- (a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and end-users; and
- (b) what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and end-users.

### Q113: Please, rate to what extent do you think S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information					X	
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU					X	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					X	
H. Represent information that must be prioritised in first year of implementation			X			
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					X	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

**For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately**

Please see our remarks in the textbox on Q108.F.

**For part G, please explain how you think further alignment could be reached**

Please see our remarks in the textbox on Q108.G.

**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S4-5 and S4-6 implement the principle of double materiality: DR S4-5 aims to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services while DR S4-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S4-5 and S4-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S4-5 is about the risks and opportunities arising from the undertaking's operations on consumers and end-users, while DR S4-6 is about the risks and opportunities arising for the undertaking its impacts and dependencies on consumers and end-users.

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