



### Assessment of GRI's feedback on ESRS S1

Reference	ESRS S1	GRI feedback	EFRAG Secretariat preliminary analysis	Conclusion
1.	Disclosure requirement S1-1 – Policies related to own workforce	<p>ESRS S1 covers own workforce, however, paragraph 18 (a) &amp; (c) covers all stakeholders. GRI proposes that disclosures that address all stakeholders should be included in the cross-cutting standards instead of ESRS S1. This will help reduce the unnecessary duplication of these contents across the social standards.</p> <p>The disclosure requirement on the undertaking's policy commitment to respect human rights as required by 18(a) should be moved to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to report and which cannot be subjected to an undertaking's materiality assessment. This disclosure requirement should also be further aligned with GRI's disclosures.</p> <p>ESRS S1-1 should not require organizations to report against specific international instruments. This would make reporting too prescriptive. Instead GRI recommends that ESRS shall require undertakings to report the authoritative intergovernmental instruments that the policy commitments reference without prescribing specific instruments, in line with GRI 2-23.</p> <p>It is unclear why the AG contains specific requirements on certain topics such as training and development, working time, work-life balance or privacy, but not on other work-related topics. GRI</p>	<p>Some inconsistencies exist and will be corrected. Regarding repeating DRs in different standards: consistent with the recommendations of the PTF NFRS final report (March 2021), and also with the 'affected stakeholder' groups in the social taxonomy, the logic is to have four separate social standards.</p> <p>These six DRs are the heart of S2-S4, to make clear that these are to apply to social matters affecting each of these stakeholder types, the six DRs and AG for CCS should be contained in each standard.</p> <p>EFRAG TEG comment in the Survey suggested that it should be discussed whether the rebuttable presumption should apply to S1-1 to S1-6.</p> <p>This has been included to meet SFDR criteria.</p>	<p>→ <b>Draft to be amended (for inconsistencies)</b></p> <p>→ <b>To be discussed</b></p> <p>→ <b>No action for November.</b></p> <p>→ <b>Draft to be amended</b></p>



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		recommends reviewing this for consistency and converting some of these contents into standalone disclosure requirements where relevant.		
2.	Disclosure requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts	GRI proposes that generic requirements for reporting on engagement be consolidated in ESRS 2, in order to avoid unnecessary duplication of these contents across the social standards and because this information is crucial and cannot be subjected to an organization's materiality assessment.  Further, AG paragraphs 33, 35, 36, 37, 39, and 41 are repetitive of the main text of Disclosure Requirement S1-2 and GRI proposes to delete them to avoid confusion in reporting.	Refer to #1 above.  Review need of the AG for potential inconsistencies and repetitions.	→ <b>Draft to be amended</b>
3.	Disclosure requirement S1-3 – Channels for own workers and workers' representatives to raise concerns	GRI recommends to align the terminology and requirements of this disclosure requirement with GRI 2-25, which has been developed in line with the UN Guiding Principles and OECD guidance.  In addition, GRI proposes relocating this disclosure requirement to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to provide and which cannot be subjected to an undertaking's materiality assessment. This will also help reduce the unnecessary duplication of these contents across the social standards.	No significant differences have been noted. To be considered for future enhancements.  Refer to #1 above.	→ <b>No action for November</b>
4.	Disclosure Requirement S1-5 - Taking action on	It is unclear why the AG contains specific requirements on certain topics such as forced labour, child labour, privacy, training and occupational health and safety, but not on other work-related topics. GRI recommends reviewing this for consistency and	Review need of the AG for potential inconsistencies and repetitions.	→ <b>Draft to be amended</b>



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	material impacts on own workforce and effectiveness of those actions	converting some of these contents into standalone disclosure requirements where relevant.		
5.	Disclosure Requirement S1-7 – Characteristics of the undertaking's employees	<p>GRI recommends moving Disclosure Requirement S1-7 to the cross-cutting standards (ESRS 2), in line with GRI's approach, and to further align it with GRI 2-7. This basic information is of relevance not only for the social standards and should therefore be discussed in the cross-cutting standards.</p> <p>Applying a threshold of 50 employees for certain country breakdowns and a threshold of 10% of employees for others is confusing. It is also not clear how the 10% is to be calculated, i.e., whether 10% of the total number or of each type. Further, it is not clear whether the breakdowns cover EU countries only or all countries. GRI recommends to align with GRI 2-7 when it comes to regional breakdowns.</p> <p>GRI also recommends requiring the total number of employees by gender, in line with GRI 2-7.</p> <p>Requirement 51 (e) is unclear and there is no guidance on how to report this requirement. GRI recommends providing additional guidance in the AG.</p>	<p>Although there is a logic to the GRI view, the approach of the PTF was to put matters that are clearly social in the social standards.</p> <p>A balance has been struck between the needs of users and the concerns of preparers with granularity. Many matters (including those regulated by EU law) are country-specific, and aggregation can obscure significant cross-country differences. Some users (e.g., trade unions) have expressed a strong need for country-by-country breakdowns, particularly on key disclosures like head count and collective bargaining coverage. The logic of the thresholds is to strike a balance and provide standardization for this dataset on comparability grounds. This is to be clarified in the AG on country breakdowns and methodology.</p> <p>This, in principle, can be calculated through summing the types of employment contracts, but for clarity it could be specified.</p> <p>Agreed.</p>	<p>→ <i>To be discussed</i></p> <p>→ <b>Draft to be amended (to clarify approach, not to change substance)</b></p> <p>→ <b>Draft to be amended</b></p> <p>→ <b>Draft to be amended</b></p>



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6.	Disclosure Requirement S1-8 – Characteristics of non-employee workers in the undertaking's own workforce	<p>GRI recommends moving Disclosure Requirement S1-8 to the cross-cutting standards (ESRS 2), in line with GRI's approach, and to further align it with GRI 2-8. This basic information is of relevance not only for the social standards and should therefore be discussed in the cross-cutting standards.</p> <p>GRI strongly recommends aligning the definition of non-employee workers with the definition in GRI 2-8. See the general feedback provided at the start of this section for more information.</p> <p>GRI recommends making AG paragraph 101 a recommendation, in line with GRI.</p>	<p>Refer to point #5 above.</p> <p>Refer to point #5 above.</p> <p>As per the final text of the CSRD and the European Pillar of Social Rights principles this should be kept mandatory.</p>	→ <b>No action</b>
7.	Disclosure Requirement S1-9 – Training and Skills Development Indicators	In keeping with the equal opportunities objective of the ESRS, GRI recommends that ESRS S1-9 paragraph 57 (a) also require reporting a gender breakdown and to align it with GRI 404-3-a. Disaggregating data by gender is crucial. This is important to understand whether women, for example, have the same opportunities as men when it comes to accessing senior management roles at work.	The additional granularity by gender is to be considered within the context of cost/benefit and prioritisation.	→ <b>To be discussed</b>
8.	Disclosure Requirement S1-10 – Coverage of the health and	The scope of this disclosure requirement is not clear as the main text refers to employees while the AG refers to own workers. GRI proposes aligning the scope of this disclosure requirement with GRI 403-1 and GRI 403-8, to also cover workers who are not	The DR and the AG will be clarified for that purpose.	→ <b>Draft to be amended</b>



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	safety management system	employees but whose work and/or workplace is controlled by the organization, which is in line with established practice.  GRI recommends further alignment with GRI 403-1 and GRI 403-8 (e.g., reporting absolute numbers along with percentages, reporting on the use of internal and external audit).	The additional datapoints are to be considered within the context of cost/benefit, prioritization and whether it's sector agnostic or sector specific.	→ <b>To be discussed</b>
9.	Disclosure Requirement S1-11 – Performance of the health and safety management system	GRI proposes that Disclosure Requirement S1-11 be further aligned with the format and content of GRI 403-9 and GRI 403-10.  For example, the breakdown of injuries and ill health by employees and non-employees is important to understand if injuries and ill health are more prevalent for non-employees compared to employees, as non-employees often lack training and are not subject to the same health and safety standards as employees.  In addition, GRI proposes requiring the number and rate of high-consequence work-related injuries (excluding fatalities) in line with GRI 403-9. Lost days is essentially a productivity measure and relevant from a financial materiality perspective. But it does not necessarily indicate the extent of harm suffered by a worker, as in some cases, a worker might return to work before full recovery. From an impact materiality perspective, 'recovery time' is the criterion to use to understand the severity of an injury. The GRI measure of high-consequence work-related injuries is based on recovery time.	The additional datapoints are to be considered within the context of cost/benefit, prioritization and whether it's sector agnostic or sector specific.	→ <b>To be discussed.</b>
10.	Optional Disclosure – Disclosure Requirement	GRI recommends providing the reason for making this an optional disclosure.	This DR will be reexamined considering the inclusion of working hours as a topic in the final version of the CSRD, also with a view to considering different types of working hours impacts	→ <b>To be discussed</b>



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	S1-12 – Working Hours		(e.g., excessive overtime, split shifts, seasonal and night work...).	
11.	Disclosure Requirement S1-13 – Work-Life Balance Indicators	<p>GRI proposes that Disclosure Requirement S1-13 include the additional disclosures from 401-3.</p> <p>The calculations in AG paragraph 136 only refer to parental leave and not other forms of family-related leave. AG 137 also refers to parental leave only. Further, these paragraphs use the term workers whereas the main disclosure text uses the term employees. GRI recommends aligning the AG with the main disclosure text of this disclosure requirement.</p> <p>For the calculations in paragraph 69, it is not clear if the data should be disaggregated by different types of leave.</p>	<p>Review the potential inconsistencies.</p> <p>With regards to additional datapoints, these have already been considered and decision taken for set 1 was to focus on the current datapoints within the DR. To be considered for future enhancements.</p>	<p>→ <b>Draft to be amended</b></p> <p>→ <b>No action</b></p> <p>→ <b>Draft to be amended</b></p>
12.	Disclosure Requirement S1-14 – Fair remuneration	GRI recommends to use terminology consistently, i.e., wage vs remuneration.	This is acknowledged and relates to the fact that different DRs reference different pieces of EU legislation (SFDR, Minimum Wage Directive, Shareholder Rights Directive II, Pay Transparency,) which use different terms and definitions.	→ <b>Draft to be amended</b>
13.	Disclosure Requirement S1-15 – Social security eligibility coverage	GRI recommends that this disclosure requirement requires a breakdown by type of coverage and access by type of worker, as one total percentage does not provide meaningful information.	<p>The additional datapoints are to be considered within the context of cost/benefit, prioritization and whether it's sector agnostic or sector specific.</p> <p>In addition, the Secretariat is already enhancing the AG.</p>	→ <b>To be discussed</b>
14.	Disclosure Requirement S1-16 – Pay gap	A global figure to show the pay gap between male and female employees is not meaningful. The objective as stated in the introduction of the standard is to understand whether there is	The challenge is that pay and pay differences are determined by many factors, in additions to the ones mentioned by GRI, also training, job tenure	→ <b>No action</b>



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	between women and men	<p>equal pay for work of equal value. Therefore, GRI recommends breaking down the global figure by employee category and by significant locations of operation in line with GRI.</p> <p>The components of gross hourly earnings are not clear, i.e., whether it includes only basic salary or other remuneration as well. GRI proposes to align with the terminology and definitions of GRI 405-1.</p> <p>GRI recommends deleting paragraph 81 (b) on the actions taken to reduce the pay gap as it is duplicative of S1-5.</p>	<p>and experience, etc. Providing breakdowns by a set of employee categories does not shed light on the influence of these different variables while increasing granularity. This DR is aligned with the draft Pay Transparency Directive, which does not include such a breakdown, but requires undertakings to perform a full analysis of the explanatory factors for pay differences and discuss these with worker representatives. Furthermore, the SFDR requires only the reporting of the “unadjusted” gap.</p> <p>Therefore, this will be modified in the future, if required by the final version of the Pay Transparency Directive; together with potential further alignment for consistency with SFDR and draft Pay Transparency Directive.</p> <p>Agreed</p>	<p>→ <b>Draft to be amended</b></p>



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15.	Disclosure Requirement S1-18 – Discrimination incidents related to equal opportunities	<p>GRI recommends aligning the definition of discrimination with the ILO instruments referenced in the GRI Standards - <i>According to ILO instruments, discrimination can occur on the grounds of race, colour, sex, religion, political opinion, national extraction, and social origin. Discrimination can also occur based on factors such as age, disability, migrant status, HIV and AIDS, gender, sexual orientation, genetic predisposition, and lifestyles, among others.</i></p> <p>GRI suggests to delete paragraph 88 (a) and (d) on grievance mechanisms, to avoid duplication with Disclosure Requirement S1-3.</p>	<p>The definition used is derived by the EU legislation.</p> <p>The reference to 88 (a) is to a SFDR datapoint. With regards to 88 (d), this is a specific type of incident that relates to equal opportunities and cross-reference could be used.</p>	<p>→ <b>No action</b></p> <p>→ <b>No action</b></p>
16.	Disclosure Requirement S1-20 – Differences in the provision of benefits to employees with different employment contract types	GRI recommends using significant locations of operation in line with GRI.	As the provision of benefits can vary greatly across countries within the same undertaking, it is important to specify the country as the geographical unit to better understand the location of negative impacts (if any). This specification also increases consistency in reporting and thus comparability across companies.	→ <b>No action.</b>
17.	Disclosure Requirement S1-21 – Grievances and complaints	GRI recommends deleting paragraph 100(a) on the presence of grievance mechanisms, as it is duplicative of Disclosure Requirement S1-3.	This is a specific datapoint for SFDR that requires its own emphasis within the subset of grievance mechanism matters. Notwithstanding, the Secretariat is currently performing a streamlining exercise on the datapoints that are common to	→ <b>No action</b>





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	related to other work-related rights	Reporting the number of grievances alone does not provide meaningful information. Quantitative data, such as the number of grievances, is unlikely to be sufficient on its own. For example, a low number of grievances could indicate that few incidents have occurred, but it could also signal that their intended users do not trust the mechanisms. GRI recommends deleting this disclosure requirement and focusing on describing the grievance mechanisms and the quality of these mechanisms in S1-3.	working conditions, equal opportunities and other work-related rights that may lead to the same conclusion.  The DR also includes a requirement to report contextual information which can help interpret the quantitative data provided. This was a point that was received as feedback during the triple review process of the PTF and the Disclosure Requirement was modified.	→ <b>No action</b>
18.	Disclosure Requirement S1-22 – Collective bargaining coverage	GRI recommends moving this disclosure requirement to ESRS 2 (cross-cutting standard), in line with GRI's approach.	Refer to points #5 and #6 above.	
19.	Disclosure Requirement S1-25 – Identified cases of severe human rights issues and incidents	GRI recommends to delete this disclosure requirement as it is duplicative of Disclosure Requirement 2-IRO 2 in ESRS 2, which already requires a description of actual negative impacts on people which are the outcome of an assessment based on severity. If the aim for this disclosure requirement is to cover the topics of forced labor, human trafficking and child labor specifically (as AG paragraph 167 seems to suggest), as opposed to human rights issues more generally, then GRI proposes aligning with GRI 408-1 and 409-1.  In addition, paragraph 114 on fines is duplicative of paragraph 89 in Disclosure Requirement S1-18.	This DR is specifically required by the SFDR.	→ <b>No action</b>

