



EFRAG SECRETARIAT ANALYSIS OF THE COMMENTS – Survey 2 – ESRS S2

General Comments across ESRS S2 (Workers in the value chain),

Abbreviation	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
ISSB	Key standard for alignment ISSB does not yet cover the topic	Alignment with ISSB	No	There is no social standard yet under ISSB to take into account. The comment is more relevant for the discussion of higher alignment in CCS in SRB / SRT.	No action	No
Digital Guidance	Align use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability.	Digital tagging	No	Noted for digital taxonomh	To be considered	No
Key words	Include reference table with anchored hyperlinks if the sustainability statement is not tagged and align key terminology with EU legislation	Format reporting	No	Should be addressed by tagging.	No action	No

ESRS S2 (Workers in the value chain) – Q99: Please, rate to what extent do you think S2-1 – Policies related to value chain workers – A-I

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
	add disclosure point on alignment with UNGC principles / OECD, including all the alignment points required for EU Taxonomy (minimum social safeguards)	add disclosure points alignment with international frameworks (UNGC / OECD, ...)	No	Table available in the ESRS S2 Basis for Conclusion (mapping of DRs against CSRD, SFDR, OECD Guidelines and UNGPs as well as other reporting frameworks such as GRI). Issue paper on due diligence addresses this further.	No action	No
	prioritize DR because of SFDR-relevant data points	phasing-in / prioritization	No	The issues of materiality/rebuttable presumption are under discussion at SRT/SRB level. SFDR PAIs not subject to rebuttable presumption.	No action	No
	alignment with ISSB which does not yet cover this topic	alignment with ISSB	No	There is no social standard yet under ISSB to take into account. The comment is more relevant for the discussion of higher alignment in CCS in SRB / SRT.	No action	No

	DR S2-1 paragraph 18 (engagement with affected stakeholders about the human rights policy): +include disclosure on how stakeholders are identified and prioritized, for which areas or how regular stakeholder engagement has been performed, and for what purpose. +include disclosure on the outcome of the stakeholder engagement.	granularity of information	No	Such disclosures are also linked to cross-cutting standards.	Ongoing	Yes
		costs for companies	No	Cost-benefit analysis in progress. In general, this will be considered in the context of discussions on reducing complexity, phasing-in and prioritisation.	Ongoing	No
	adapt Objective section 2 (b) to non-discrimination	guidance for reporting	No	Current reference is to discrimination. Proposed change unclear.	No action	No
	rephrase DR S2-1 paragraph 17: an undertaking “may should report a timeframe in which it aims to have such policy or objectives in place”.	rephrase requirement	No	Comment unclear. Text currently reads: ‘may report’ (and not ‘may should report’).	No action	No

	place DR S2-1 paragraph 18 (a) in ESRS 2 (35) as this is key information which should not be subject to an undertaking's materiality assessment	information in S2 vs. ESRS 2	No	Issue paper on due diligence addresses this.	To be discussed	Yes
	aligned use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability.	digital tagging	No	Noted for digital taxonomy.	To be aligned	No
	different proposals to report information on workforce working for franchised/licensed operators either as the undertaking's own workforce or as workers in the (downstream) value chain.	definition of own workforce vs. workers in the value chain	Yes	Noted and developed within the affected stakeholders' definition paper.	To be aligned	Yes -
	full country-by-country reporting needed as social impacts frequently vary significantly across countries. Reporting at an aggregate level for the undertaking obscures country-specific impacts.	disaggregation of disclosure requirement	No	The level of granularity for the disclosures is connected with how granular the IRO assessment is given where geography is a consideration.	No actions	No

ESRS S2 (Workers in the value chain) – Q100: Please, rate to what extent do you think S2-2 – Processes for engaging with value chain workers about impacts – A-I

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
	aligned use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability.	digital tagging	No	Issue addressed within EFRAG	To be aligned	No
	different proposals to report information on workforce working for franchised/licensed operators either as the undertaking's own workforce or as workers in the (downstream) value chain.	definition of own workforce vs. workers in the value chain	No	Further guidance being drafted	To be aligned	Yes definitions paper
	full country-by-country reporting needed as social impacts frequently vary significantly across countries. Reporting at an aggregate level for the undertaking obscures country-specific impacts.	disaggregation of disclosure requirement	No	The level of granularity for the disclosures is connected with how granular the IRO assessment is given where geography is a consideration.	No actions	No

ESRS S2 (Workers in the value chain) – Q101: Please, rate to what extent do you think S2-3 – Channels for value chain workers to raise concerns – A-I

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
	aligned use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability	digital tagging	No	Issue addressed within EFRAG	Ongoing	No
	different proposals to report information on workforce working for franchised/licensed operators either as the undertaking's own workforce or as workers in the (downstream) value chain.	definition of own workforce vs. workers in the value chain	No	Application guidance being drafted	To be aligned	Yes
	full country-by-country reporting needed as social impacts frequently vary significantly across countries. Reporting at an aggregate level for the undertaking obscures country-specific impacts.	disaggregation of disclosure requirement	No	The level of granularity for the disclosures is connected with how granular the IRO assessment is given where geography is a consideration.	No actions	No

ESRS S2 (Workers in the value chain) – Q102: 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 – A-I

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
	aligned use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability	digital tagging	No	Issue addressed within EFRAG	Ongoing	No
	different proposals to report information on workforce working for franchised/licensed operators either as the undertaking's own workforce or as workers in the (downstream) value chain.	definition of own workforce vs. workers in the value chain	No	AG drafting	To be aligned	Yes

	full country-by-country reporting needed as social impacts frequently vary significantly across countries. Reporting at an aggregate level for the undertaking obscures country-specific impacts.	disaggregation of disclosure requirement	No	The level of granularity for the disclosures is connected with how granular the IRO assessment is given where geography is a consideration.	No actions	No
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ESRS S2 (Workers in the value chain) – Q103: Please, rate to what extent do you think S2-5 – Taking action on material impacts on value chain workers and effectiveness of those actions – A-I

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
	rephrase title of DR S2-5 about the risks and opportunities arising from the undertaking's operations on the value chain workers and DR S2-6 about the risks and opportunities arising for the undertaking due to the value chain workers issues	rephrase requirement	No	Comment relates to S2-6. Unclear what improvement the proposed change would achieve.	No action	No

	aligned use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability.	digital tagging	No	Issue addressed within EFRAG	Ongoing	No
	different proposals to report information on workforce working for franchised/licensed operators either as the undertaking's own workforce or as workers in the (downstream) value chain.	definition of own workforce vs. workers in the value chain	No	Refer to response above		
	full country-by-country reporting needed as social impacts frequently vary significantly across countries. Reporting at an aggregate level for the undertaking obscures country-specific impacts.	disaggregation of disclosure requirement	No	Refer to response above		

ESRS S2 (Workers in the value chain) – Q104: Please, rate to what extent do you think S2-6 – Approaches to mitigating material risks and pursuing material opportunities related to value chain workers – A-I

n.	Comment	Type	Already in TEG survey/ISSB alignment/GRI alignment	EFRAG Secretariat comments	EFRAG Secretariat conclusion (*)	Issue paper needed?
	rephrase title of DR S2-5 about the risks and opportunities arising from the undertaking's operations on the value chain workers and DR S2-6 about the risks and opportunities arising for the undertaking due to the value chain workers issues	rephrase requirement	No	S2 is about impacts on people, which has been reflected in the wording used throughout the standards. Wording reflects focus on people of the S standards.	To be discussed	No
	aligned use of terminology for digital tagging of key words is essential. Suggestion to provide reference tables in the sustainability statements with anchored hyperlinks to facilitate access to information, avoid loss, and support comparability.	digital tagging	No	Refer to response above		
	different proposals to report information on workforce working for franchised/licensed operators either as the undertaking's own workforce or as workers in the (downstream) value chain.	definition of own workforce vs. workers in the value chain	No	Refer to response above		

	<p>full country-by-country reporting needed as social impacts frequently vary significantly across countries. Reporting at an aggregate level for the undertaking obscures country-specific impacts.</p>	<p>disaggregation of disclosure requirement</p>	<p>No</p>	<p>Refer to response above</p>
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