



## Assessment of GRI’s feedback on ESRS S2, S3 and S4

### ESRS S2 Workers in the value chain

Ref.	ESRS S2	GRI feedback	EFRAG SR TEG recommendations	Conclusion
1.	Disclosure Requirement S2-1 – Policies related to value chain workers	ESRS S2 covers workers in the value chain, however, paragraph 15 (a) & (c) covers all stakeholders. GRI proposes that disclosures that address all stakeholders should be included in the cross-cutting standards instead of ESRS S2. This will help reduce the unnecessary duplication of these contents across the social standards.	<p>S2-1 refers specifically to value chain related aspects of entities’ human rights policies, providing specific examples that fit only in S2. Nevertheless, the text will be revised to ensure focus on the stakeholder group and clarify it.</p> <p>Regarding repeating DRs in different standards: consistent with the recommendations of the PTF NFRS final report, and with the ‘affected stakeholder’ groups in the social taxonomy, the logic is to have four separate social standards. 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>→ <b>Draft to be amended</b></p> <p>→ <b>No actions</b></p>



Ref.	ESRS S2	GRI feedback	EFRAG SR TEG recommendations	Conclusion
		<p>The disclosure requirement on the undertaking's policy commitment to respect human rights as required by 15(a) should be moved to ESRS 2, in line with GRI's approach, as this is essential information for 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 S2-1 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 should be discussed whether the rebuttable presumption applies to S2-1 to S2-6.</p> <p>This has been included to meet SFDR criteria.</p> <p>This has been included to meet SFDR criteria.</p>	<p>→ <b>To be discussed (as part of the rebuttable presumption discussion)</b></p> <p>→ <b>No action.</b></p> <p>→ <b>No action</b></p>



Ref.	ESRS S2	GRI feedback	EFRAG SR TEG recommendations	Conclusion
		It is not clear why issues and incidents should be reported in the context of reporting policies (as per AG paragraph 23). These are already required to be reported under Disclosure Requirement 2-IRO 2 in ESRS 2. GRI recommends deleting AG paragraph 23.		
2.	Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts	<p>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.</p> <p>Further, there is some unnecessary duplication between the AG paragraphs and the main text of the disclosure requirement.</p>	<p>The integration of this comment depends on final structure and content of the standards. In the absence of such a requirement under due diligence in ESRS 2, this needs to be included in the social standards, precisely because it is a critical step of human rights due diligence.</p> <p>AG paragraphs build on specific DRs to provide additional guidance on how companies can report on processes to engage value chain workers. AG29 can be shortened, but the others provide additional supportive information.</p>	<p>→ <b>To be discussed</b></p> <p>→ <b>Draft to be amended (AG29 to be shortened)</b></p>



Ref.	ESRS S2	GRI feedback	EFRAG SR TEG recommendations	Conclusion
3.	Disclosure Requirement S2-3 – Channels for value chain workers to raise concerns	<p>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.</p> <p>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.</p>	<p>No significant differences have been noted. To be considered for future enhancements.</p> <p>Refer to #1 above</p>	→ <b>No action</b>
4.	Appendix A: Defined terms	The definition of ‘affected stakeholders’ is not consistent with the definition included in ESRS 1 (paragraph 44a).		→ <b>Glossary to be amended</b>



## ESRS S3 Affected communities

Ref.	ESRS S3	GRI feedback	Preliminary assessment by EFRAG secretariat	Conclusion
1.	Disclosure Requirement S3-1: Policies related to affected communities	<p>ESRS S3 covers affected communities, however, paragraph 14 (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 S3. 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 14(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>	Refer to #1 above on ESRS S2.	



Ref.	ESRS S3	GRI feedback	Preliminary assessment by EFRAG secretariat	Conclusion
		<p>ESRS S3-1 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 not clear why issues and incidents should be reported in the context of reporting policies (as per AG paragraph 21). These are already required to be reported under Disclosure Requirement 2-IRO 2 in ESRS 2. GRI recommends deleting AG paragraph 21.</p>		
2.	Disclosure Requirement S3-2	GRI proposes that generic requirements for reporting on engagement be consolidated	Refer to point #2 above in ESRS S2.	



Ref.	ESRS S3	GRI feedback	Preliminary assessment by EFRAG secretariat	Conclusion
	<p>– Processes for engaging with affected communities about impacts</p>	<p>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.</p> <p>GRI recommends deleting AG paragraphs 27, 29, 30, and 31 as they contain duplicative content covered in the main disclosure text.</p>		
3.	<p>Disclosure Requirement S3-3                      – Channels for affected communities to raise concerns</p>	<p>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.</p> <p>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</p>	Refer to point #3 above.	



Ref.	ESRS S3	GRI feedback	Preliminary assessment by EFRAG secretariat	Conclusion
		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.		
4.	Appendix A: Defined terms	<p>ESRS S3 uses the term affected communities to also include indigenous peoples. However, indigenous peoples are not referred to in the definition of 'affected communities'.</p> <p>The definition of 'affected communities' in Appendix A is GRI's definition of 'local communities'. GRI proposes changing the term accordingly, and to clarify that affected communities include both local communities and indigenous peoples.</p>		→ <b>Glossary to be amended</b>





## ESRS S4 Consumers and end-users

Ref.	ESRS S4	GRI feedback	Preliminary assessment by EFRAG Secretariat	Conclusion
1.	Disclosure Requirement S4-1 – Policies related to consumers and end-users	<p>ESRS S4 covers consumers and end-users, however, paragraph 13 (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 S4. 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 13(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</p>	Refer to point #1 above in ESRS S2.	



Ref.	ESRS S4	GRI feedback	Preliminary assessment by EFRAG Secretariat	Conclusion
		<p>be further aligned with GRI's disclosures.</p> <p>ESRS S4-1 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 not clear why issues and incidents should be reported in the context of reporting policies (as per AG paragraph 19). These are already required to be reported under Disclosure Requirement 2-IRO 2 in ESRS 2. GRI recommends deleting AG paragraph 19.</p>		



Ref.	ESRS S4	GRI feedback	Preliminary assessment by EFRAG Secretariat	Conclusion
2.	Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts	<p>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.</p> <p>Further, there is some unnecessary duplication between the AG paragraphs and the main text of the disclosure requirement.</p>	Refer to point #2 above in ESRS S2	→ <b>Draft to be amended</b>
3.	Disclosure Requirement S4-3 – Channels for consumers and end-users to raise concerns	<p>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.</p> <p>In addition, GRI proposes relocating this disclosure requirement to ESRS</p>	Refer to point #3 above in ESRS S2	



Ref.	ESRS S4	GRI feedback	Preliminary assessment by EFRAG Secretariat	Conclusion
		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.		