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Business Partners Module Guidance

Business Partners Module: Guidance

Environmental Metrics

Disclosure BP 3 – GHG emissions reduction target

A GHG emission reduction targets is a commitment to reduce the undertaking's Scope 1 and 2 GHG emissions in a future year as compared with the GHG emissions measured in a base year. Emission reductions may be achieved, for instance, through electrification, renewable electricity, sustainable products development, etc. Removals and avoided emissions do not count as emission reductions.

A base year is a reference to a past year against which to compare the undertaking's current emissions. In general, the base year should be a recent and representative year for Scope 1 and Scope 2 emissions for which there are verifiable data.

The target year, is the year in the future you aim at achieving a certain % of emission reductions. It should cover a period between five to ten years from the base year for a short-term target. Longer term targets may also be included, for instance, covering periods of twenty to thirty years (e.g., 2040 or 2050). Undertakings are encouraged to include target values for the near-term year 2030 at the least, and, if feasible, also for the long-term year 2050. From 2030 onwards, it is suggested to update the base year and target year for GHG emission reduction targets after every five-year period.

To set a target, undertakings should consider the existing scientific evidence on GHG mitigation. The SBTi recommends a cross-sector target in GHG emissions reduction of -42% by the year 2030, and -90% by the year 2050. Specific pathways also exist by sector and may be considered by undertakings when setting their GHG emission reduction targets.

Disclosure BP 4 – Transition plan for climate change mitigation

A climate transition plan is a set of present and future actions to align the undertakings business model, operations and assets with the key overarching global objective of limiting global warming to 1.5°C and underpinned by an GHG reduction target compatible with that goal. The importance of having a transition plan in place lies in the possibility to keep track of the progress made by the undertaking. A transition plan serves as an accountability and transparency mechanism that prompts undertakings to create credible pathways for mitigating climate change through their actions.

A credible transition plan should: a) identify clear responsibilities and roles; b) be integrated in the undertaking's financial planning; c) include quantifiable indicators that can be monitored for defined timeframes; d) allow for regular reviewing and updating after stakeholder consultations, when appropriate; e) cover the entirety of own operations and, to the largest possible extent possible, the value chain, or provide an explanation as to any limitation.

Disclosure BP 6 – Physical Risks from climate change

Climate-related physical risks arise from climate change and can be categorized into Acute physical risks which arise from particular event (such as droughts, floods, extreme precipitations and wildfires) and Chronic physical risks which arise from longer-term changes in the climate. Examples of climate-related hazards are: heat waves, increased frequency of extreme weather events, sea level rise, glacial lake outburst, change in precipitation and wind patterns. These risks can be identified and modelled by using climate scenarios that consider high emissions trajectories, such as IPCC SSP5-8.5.

Disclosure BP 7 – Hazardous waste and radioactive waste ratio

Nuclear waste can be present in a variety of situations, from smoke detectors to sludges from naturally occurring radioactive materials. It can be present in special equipment used by industry, research facilities, medical appliances and other objects.

The undertaking may disclose the share of radioactive waste, calculated as a percentage of the total amount of hazardous waste as reported in the Basic Module B7.

Below is an example of the radioactive waste ratio calculation:

$$\text{Radioactive waste ratio} = \frac{\text{Radioactive waste (t)}}{\text{Hazardous waste (t)}} \times 100$$

Social Metrics**Disclosure BP 8: Alignment with internationally recognized instruments**

The undertaking discloses how it manages actual or potential negative impacts on people's human rights. This means that the undertaking shall disclose whether it has policies in place to promote actions and behaviours for the respect and protection of people's human rights. Such policies can take many forms and they have no definitive template or structure. They can include the provision of specific training on human rights to the employees and efforts to map supply chains in order to proactively look for issues related to child labour or forced labour particularly in higher risk contexts.

Human rights in the workplace include the right to a safe and healthy working environment; freedom of association and the right to collective bargaining; the elimination of discrimination, including the right to equal pay for work of equal value; as well as the elimination of child labour and forced labour.

International instruments such as treaties, conventions, principles or guidelines are the common reference for the undertaking to develop policies related to human rights, refer to the CSRD Article 29 b 2 b) . These policies could represent a signal to internal and external stakeholders that an undertaking is embedding human rights into its business operations and relations.

Disclosure BP 9: Processes to monitor compliance and mechanisms to address violations

A human rights policy sets out how the undertaking respects human rights by having processes in place to identify, prevent, mitigate and account for how the undertaking addresses its actual or potential adverse human rights impacts. Examples of mechanisms to address violations are the introduction of anti-discrimination practices and the provision of specific training on harassment policies. Examples of mechanisms to report violations can be the provision of channels for employees to raise concerns or complaints.

Disclosure BP 11 – Workforce – Work-life balance

The undertaking discloses the percentage separately for those employees:

- i. who can take family-related leave in the reporting year, with a breakdown by gender; and

- ii. who used family-related leave in the reporting year, with a breakdown by gender.

For the purpose of this calculation, the same methodology used for the social metrics in the basic module should be used for consistency meaning that employees can be counted in full-time equivalents or head count.

Family-related leave includes maternity leave, paternity leave, adoption leave, parental leave, dependents leave and carers' leave. The definition and scope of the family-related leave is defined by the national laws.

Disclosure BP 12 – Number of apprentices

The undertaking shall disclose the number of apprentices in the reporting period based on the national definitions and schemes of apprentices.

The number of apprentices refers to the number of apprentices who work in the undertaking during the reporting year. For example, if the undertaking has a December year end; an apprentice that starts the contract in year x1 and finishes in year x2 will be included in this disclosure in year x1 and year x2.