

# Glimpse into Draft ESRS S2 (Workers in the value chain), S3 (Affected communities) and S4 (Consumers and end-users)

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Educational videos on the First set of draft ESRS

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*This series of educational videos was recorded  
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# Overview

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- Background
- Structure of the Social Pillar
- Overview of DRs S2- S4

# Background

- **(a) a description of:**
  - (i) the due diligence process implemented by the group with regard to sustainability matters, and where applicable in line with EU requirements on undertakings to conduct a due diligence process;
  - (ii) the principal actual or potential adverse impacts connected with the group's own operations and with its value chain, including its products and services, its business relationships and its supply chain, actions taken to identify and track these impacts, and other adverse impacts which the parent undertaking is required to identify according to other EU requirements to conduct the due diligence process

# CSRD: Article 29(b)

- (b) specify the information that undertakings are to disclose about social factors, including information about:
  - i) equal **treatment and opportunities** for all, including:
    - gender equality and equal pay for work of equal value
    - training and skills development
    - employment and inclusion of people with disabilities
    - measures against violence and harassment in the workplace
    - diversity
  - ii) **working conditions**, including:
    - secure employment
    - working time
    - wages
    - social dialogue
    - freedom of association
    - existence of work councils
    - collective bargaining including the rate of workers covered by collective agreements
    - the information, consultation and participation rights of workers
    - work-life balance
    - health and safety
  - iii) respect for the **human rights, fundamental freedoms, democratic principles and standards** established in:
    - the International Bill of Human Rights and other core UN human rights conventions, including the UN Convention on Persons with Disabilities
    - the UN Declaration on the Rights of Indigenous Peoples
    - the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
    - the ILO fundamental conventions
    - the European Convention of Human Rights
    - the revised European Charter
    - the Charter of Rights

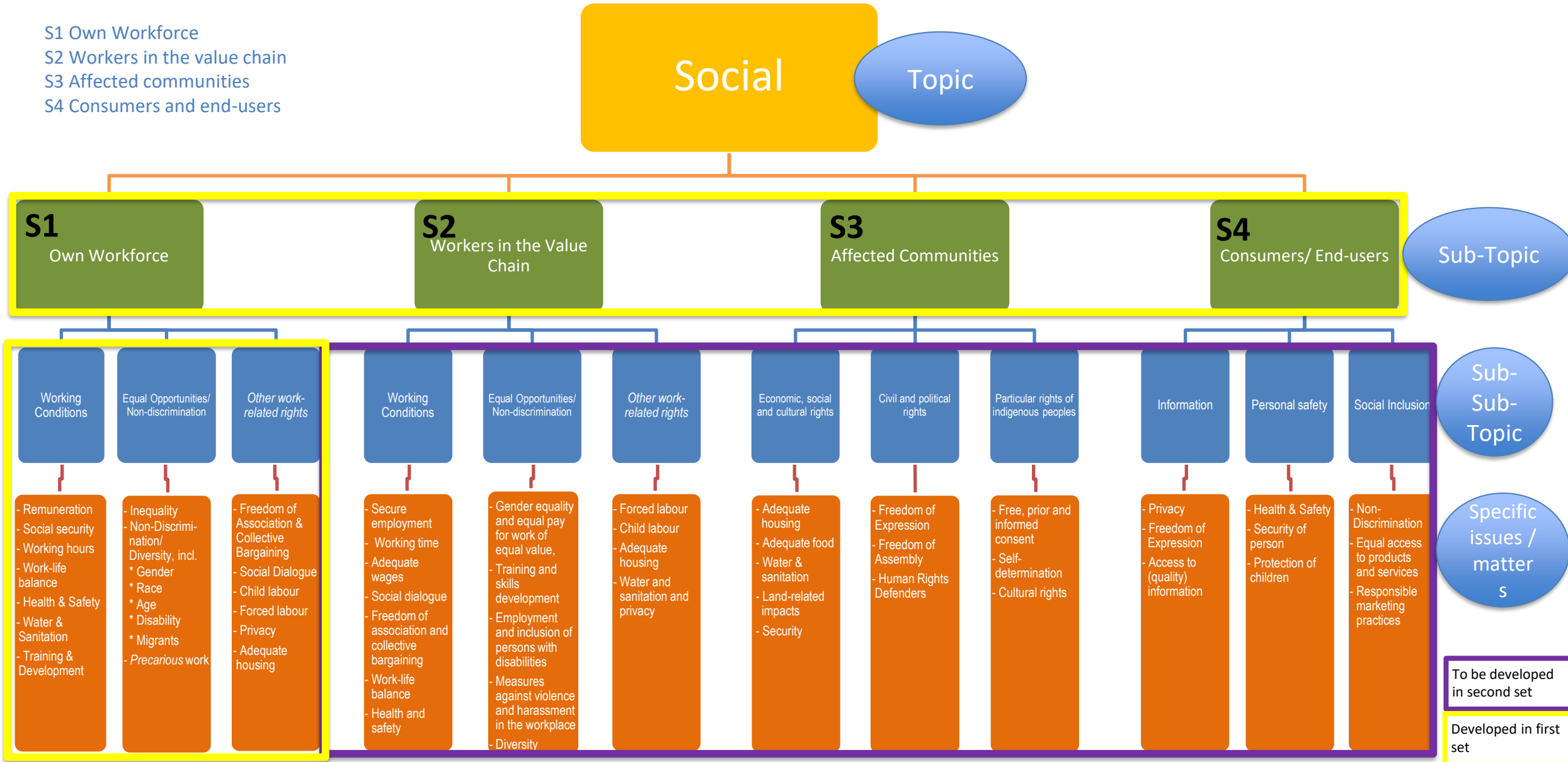
Union  
Social  
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European

# Structure of the Social Pillar

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# Social standards: Structure of the social pillar

- S1 Own Workforce
- S2 Workers in the value chain
- S3 Affected communities
- S4 Consumers and end-users



# Overview of Disclosure Requirements



# S2- S4 Workers in the value chain / Affected communities / Consumers and end-users: Overview

## STRATEGY (complemented by ESRS 2)

DR and AG on ESRS 2-SBM2: Interests and **views of stakeholders**

DR and AG on ESRS 2-SBM3: Material **impacts, risks and opportunities** and their **interaction with strategy and business model(s)**

SFDR

## IMPLEMENTATION

DR S2-1: **Policies related** to the affected stakeholder group

GRI OECD UNGP SFDR

DR S2-2: **Processes for engaging** with affected stakeholder groups about impacts

GRI OECD UNGP

DR S2-3: Processes to **remediate** negative **impacts** and **channels to raise concerns**

UNGP SFDR

DR S2-4: **Taking action** on impacts and effectiveness of those actions, and **approaches to mitigating** material risks and pursuing material opportunities

GRI OECD UNGP

DR S2-5: **Targets** related to managing material negative impacts, a positive impacts, and managing material risks and opportunities

GRI UNGP

## PERFORMANCE MEASURES

### First set:

Focus on developing the disclosures that can be expected of **all entities** under the scope of the CSRD. These standards provide **high-level disclosures** regarding an undertaking's impacts on value chain workers / affected communities / consumers and related risks and opportunities, when viewed in general across an undertaking's operations and upstream and downstream value chain.

### Subsequent standards:

Subsequent standards are expected to expand on these standards through more detailed disclosures in relation to the sub-topics and specific issues that would be identified as material through the **sector-specific** or **entity-specific** materiality determination.

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