

[Draft] European Sustainability Reporting Standard S2 Working Conditions

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[Draft] European Sustainability Reporting Standard S2 Own Workforce -Working Conditions

Objective

1. The objective of this [draft] standard is to specify Disclosure Requirements for undertakings to report on how they affect their own workforce, in terms of material impacts, risks and opportunities. The disclosure scope of this [draft] standard is a specific set of working conditions issues:
 - (a) training and skills development;
 - (b) health and safety;
 - (c) working hours;
 - (d) work life balance;
 - (e) fair remuneration;
 - (f) social security.
2. This [draft] standard is derived from the [draft] CSRD stating that sustainability reporting standards shall specify information to disclose related to working conditions, including secure and adaptable employment, wages, work-life balance, and a healthy, safe and well-adapted work environment as well as information about training and skills development.
3. Training and Skills Development refers to the undertaking's initiatives put in place aimed at the maintenance and/or improvement of skills and knowledge as well as the personal and career advancement of its own workforce. Training can include different methodologies, such as on-site training, and online training.
4. Health and Safety or Occupational Health and Safety refers to the definitions of ILO, OECD and WHO. Healthy and safe work conditions involve both prevention of physical and mental harm and the promotion of workers' health by the undertaking.
5. Working Hours refers to the undertaking's processes to ensure that the number of hours per week during which own workers are working at the undertaking's disposal and carrying out their activities or duties respect the relevant thresholds to protect their physical and mental health and their safety and work-life balance.
6. Work life balance refers to the undertaking's processes to guarantee a satisfactory state of equilibrium between an individual's work and private life. Work-life balance encompasses not only the balance between work and private life given family or care responsibilities, but also time allocation between time spent at work and in private life beyond family responsibilities.
7. Fair Remuneration refers to the pay or other financial compensation provided in exchange for the own worker's services performed.
8. Social Security refers to the undertaking's protection processes to ensure own workers' access to health care and to guarantee income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner.
9. This [draft] standard builds on international and European human rights conventions, including the UN Guiding Principles on Business and Human Rights and the OECD Multinational Guidelines, EU policy priorities as set out by the European Pillar of Social Rights, and EU legislation, including the EU labour law acquis and the EU taxonomy on sustainable activities, especially regarding "do no significant harm" criteria and minimum social safeguards.
10. This [draft] standard is applicable to the undertaking's 'own workforce', which is understood to include both employees, i.e. those persons in an employment relationship with the undertaking, and non-employee workers engaged in a undertaking's core business, i.e. persons who are not in an employment relationship with the undertaking, but whose work is controlled by it and perform roles that are the same as or similar to those of its employees or are otherwise engaged in the undertaking's core business ("non-employee workers in

their own workforce”). Thus, an undertaking’s ‘own workforce’ is clearly distinguished from ‘value chain workers’, which includes workers for whom neither work nor workplace are controlled by the undertaking (‘typical value chain workers’), as well as workers whose workplace is controlled by the undertaking but perform non-core services for it (‘non-core contractors’). The terms ‘own workforce’ and ‘own workers’ are used interchangeably in this [draft] standard.

11. All disclosures under performance measures in this [draft] standard shall be reported separately for employees and non-employee workers in their own workforce. If an undertaking is not able to include information on non-employee workers in their own workforce using its best efforts, such information may be omitted. This is expected to occur in rare circumstances. In this case the undertaking shall disclose the reasons and describe the limitation of the scope of the relevant disclosures.

Interaction with other ESRS

12. This [draft] standard prescribes the performance measures for undertakings to report on and it is complementary to ESRS S1, which defines the Disclosure Requirements for policies, targets, action plans and resources, with regard to working conditions of the undertaking’s own workforce listed in paragraph 1 of the objective section.
13. This [draft] standard shall be read in conjunction with the crosscutting presentation standard (ESRS 1), the standard on Strategy and Business Model (ESRS 2), the standard requiring disclosure of the impacts, risks, and opportunities, including materiality assessments, of the undertaking (ESRS 4), as well as the other Social Pillar ESRS standards for own workforce (ESRS S1-4).

Disclosure requirements

Strategy and business model, governance and organisation, impacts, risks and opportunities

14. The Disclosure Requirements related to Working Conditions and (i) Strategy and business model and (ii) Governance and organisation are defined below.
15. The specific Disclosure Requirements related to Working Conditions (Disclosure Requirements 1 and 2) shall be read as complementary to the relevant cross-cutting standards (ESRS 2 and ESRS 3) and ESRS S1.

Specific working conditions-related disclosures for the implementation of ESRS 2 Strategy and business model

[Disclosure requirement 1] Assessment of skills gaps and training programmes

16. **The undertaking shall disclose the process for determining the skills gaps and training needs to fulfil its strategic objectives on an ongoing basis.**
17. The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking provides appropriate training programmes to ensure that own workforce talent develops to meet the strategic objectives of the undertaking, which is also an indicator of the level of opportunities provided to own workers to develop in their working environment. It shall be disclosed in accordance with Disclosure Requirement 6 of ESRS 2.
18. The disclosure required by paragraph 16 shall include a description of:
 - (a) the assessment or process performed by the undertaking to identify skills gaps;
 - (b) the assessment or process performed by the undertaking to address the gaps identified in paragraph 18 (a) via training programmes or action plans;

- (c) how consulting with own workers and/or trade union and worker representatives informs the design and implementation of the process (also in terms of type and scope of the program offered);
- (d) information at a general, country, or regional level when such assessments and action plans are performed at that level.

Specific working conditions-related disclosures for the implementation of ESRS 3 Governance and organisation

[Disclosure requirement 2] Governance and management responsibilities related to health and safety

- 19. **The undertaking shall describe the governance and management responsibilities regarding health and safety.**
- 20. The principle to be followed under this Disclosure Requirement is to provide an understanding of which management level is the ultimate responsibility for occupational health and safety and which undertaking's governance body monitors and oversees the effectiveness of the undertaking's health and safety management. It shall be disclosed in accordance with Disclosure Requirement 3 of ESRS 3.
- 21. The disclosure shall state which level of management is responsible for the overall operational health and safety management and how this responsibility is further operationalized and broken down at an organisational level (i.e. departments, operating sites, subsidiaries ..).
- 22. The disclosure required by paragraph 19 shall include a description of the workers' participation in informing the process and improving the effectiveness of the health and safety management.

Performance measurement

- 23. ESRS S1 prescribes the disclosure requirements related to targets for the sub topics covered in ESRS S2 and defined in paragraph 1 of this draft Standard. Undertakings shall cross-reference the sustainability information disclosed in ESRS S1 and this draft Standard when the performance data is related and describe the nature of that relationship.

[Disclosure requirement 3] Training and Skills Development indicators

- 24. **The undertaking shall disclose the extent to which training and development is provided to its own workforce.**
- 25. The principle to be followed under this Disclosure Requirement is to provide an understanding of the training and skills development-related activities that have been offered to own workers, within the context of continuous professional growth, to upgrade own workers' skills and facilitate continued employability.
- 26. The disclosures detailed below shall be provided for employees and non employees separately. For employees, the information shall be disaggregated at the level of granularity required by (a)-(d) and, for non-employees, no further disaggregation shall be required. The information to be disclosed shall include:
 - (a) the percentage of own workers covered by the undertaking's training programmes for each employee category;
 - (b) the percentage of own workers covered by regular performance and career development reviews for each employee category;
 - (c) the average number of training hours per person in own workforce by employee category and gender;

- (d) the percentage of own workers that are on rotation, promoted or stationing over the total number of own workers by gender;
- (e) average expenses on training per full-time equivalent (FTE) for the reporting year. In addition, the undertaking shall reconcile the total expenses included in the numerator of this ratio with the most representative amount recorded in the financial statements.

[Disclosure requirement 4] Coverage of the health and safety management system

- 27. **The undertaking shall disclose information on the extent to which the own workforce is covered by the health and safety management system.**
- 28. The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's management system to prevent harm and promote health amongst its own workforce.
- 29. The disclosure requirement required by paragraph 27 shall include:
 - (a) a description of the management systems, standards or guidelines that have been implemented by the undertaking, including a statement as to whether these are derived from recognised frameworks, standards or guidelines;
 - (b) the number and percentage of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines;
 - (c) the number and percentage of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines that has been internally audited;
 - (d) the number and percentage of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines that has been audited or certified by an external party;
 - (e) a statement as to whether the undertaking has a workplace accident prevention policy in place, the undertaking may cross-reference to its disclosures in ESRS S1 where this information may be reported.
- 30. If the undertaking has no management system in place or no policies have been implemented, this information shall be disclosed by the undertaking.
- 31. If the undertaking excludes its non-employee workers from its own workforce or value chain from the health and safety management system, this information shall be disclosed by the undertaking.

[Disclosure requirement 5] Performance of the health and safety management system

- 32. **The undertaking shall disclose the number of incidents associated with work-related injuries, ill health and fatalities of its own workers.**
- 33. The principle to be followed under this Disclosure Requirement is to provide an understanding of the quality and performance of the established health and safety management system to prevent work-related incidents. The undertaking shall provide the following information to comply with paragraph 32:
 - (a) the number and rate of fatalities as a result of work-related injuries;
 - (b) the number and rate of recordable work-related injuries;
 - (c) the number of fatalities as a result of work-related ill health;
 - (d) the number of cases of recordable work-related ill health;

- (e) the number of days lost to work-related injuries and fatalities from work-related accidents;
- (f) the number of days lost to work-related ill health and fatalities from ill health;
- (g) the absentee rate for specific categories of own workers;
- (h) the percentage of own workers that are not eligible for health care benefits either through the undertaking or a government programme.

[Disclosure requirement 6] Working Hours

- 34. **The undertaking shall disclose the percentage of its own workers that exceed 48 hours per week over the applicable reference period.**
- 35. The principle to be followed under this Disclosure Requirement is to provide an understanding of whether the undertaking respects the thresholds established by the EU and ILO standards on weekly working hours (48 hours per week over a reference period) to protect own workers' physical and mental health and their safety and work-life balance.
- 36. The disclosure required by paragraph 34 shall include the percentage of full-time own workers working more than 48 hours per week, including overtime.

[Disclosure requirement 7] Work Life Balance indicators

- 37. **The undertaking shall disclose to which extent the employees are entitled to and make use of family-related leave and flexible working arrangements.**
- 38. The principle to be followed under this Disclosure Requirement is to provide an understanding of the actual practices amongst the employees to take family-related leave and flexible working arrangements in a gender equitable manner.
- 39. The disclosure required by paragraph 37 shall include:
 - (a) the total number of employees entitled to take family-related leave, disaggregated by gender and type of family-related leave;
 - (b) the total number of employees that took family-related leave disaggregated by gender and type of family-related leave;
 - (c) return to work and retention rates of employees that took parental leave, disaggregated by gender;
 - (d) the total number of employees entitled to take advantage of flexible work arrangements for caring purposes, disaggregated by gender;
 - (e) the total number of employees that took advantage of flexible work arrangements for caring purposes, disaggregated by gender and type of flexible work arrangement.

[Disclosure requirement 8] Fair remuneration

- 40. **The undertaking shall disclose information on the remuneration of its lowest-paid own workers.**
- 41. The principle to be followed under this Disclosure Requirement is to provide an understanding of whether all of an undertaking's own workers are earning a fair wage, and, if this is not the case, an understanding of what percentage of own workers are earning less than a fair wage.
- 42. The undertaking shall report:
 - (a) the name of the countries in which the lowest wage for any of the following types of own worker is below the fair wage: female employees, male employees, female non-employee workers or male non-employee workers;

- (b) for each of the countries identified in (a) above, the ratio of the lowest wage to the fair wage for each of the four categories of own worker in which the lowest wage is below the fair wage;
 - (c) for each of the countries identified in (a) above, the percentage of employees and non-employees workers earning less than the fair wage benchmark;
 - (d) its methodology for calculating the fair wage, the lowest wage and, if relevant, the percentage of own workers earning less than the fair wage.
43. If all of the undertaking's own workers are earning a fair wage, the undertaking shall report this information.

[Disclosure requirement 9] Social security eligibility coverage

44. **The undertaking shall disclose the percentage of its own workers eligible for social security.**
45. The principle to be followed under this Disclosure Requirement is to understand whether there are own workers of the undertaking that are not eligible for social security and, as a result, these become potentially especially vulnerable.
46. The disclosure required by paragraph 44 shall include the percentage of own workers that are not eligible for social security either through the undertaking or government programmes.

Application provisions

47. ESRS S1 Own workforce general standard will become effective in line with the respective CSRD requirements and timelines. None of the Disclosure Requirements of ESRS S2 Working Conditions supposed to be applied with deferral by one year.

Appendix A: Defined terms

This appendix is an integral part of the [draft] ESRS S2 Working Conditions.

Attitude	Disposition and mind-sets to act or react to ideas, persons, situations.
Carers' leave	Leave from work for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each Member State.
Competences	A combination of knowledge, skills and attitudes.
Contractual hours of work	Are the hours the worker is expected to work in the reference week as predetermined (by order of preference) by an individual contract between the employer and the employee, by convention at the enterprise level, by collective agreement or by legislation .
Development	For the aim of this Standard, development is defined as those initiatives put in place by the undertaking aimed at personal and career advancement of its workers.
Employee	An employee is an individual who is in an employment relationship with the undertaking according to national law or practice.
Employee Category	Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production) Note: This information is derived from the undertaking's own human resources system.
Entry-level wage	full-time wage in the lowest employment category . Note: Intern or apprentice wages are not considered entry level wages.
Family-related leaves	Maternity, paternity, parental and carers' leave.
Fair wage	A wage that provides for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions (EPSR Principle 6). Widely used benchmarks for a fair wage are 60% of the gross median wage and 50% of gross average wage.
Flexible working arrangements	The possibility for workers to adjust their working patterns, including through the use of remote working arrangements, flexible working schedules or reduced working hours.
Hours actually worked	Hours actually worked is the time persons spend in the performance of activities that contribute to the production of goods and services during a specified reference period. Include: (a) hours actually worked during normal periods of work; (b) time worked in addition to hours worked during normal periods of work, and generally paid at higher rates than normal rates (overtime); (c) time spent at the place of work on work such as the preparation of the workplace, repairs and maintenance, preparation and cleaning of tools, and the preparation of receipts, time sheets and reports; (d) time

	<p>spent at the place of work waiting or standing by for such reasons as lack of supply of work, breakdown of machinery or accidents, or time spent at the place of work during which no work is done but for which payment is made under a guaranteed employment contract; (e) time corresponding to short rest periods at the workplace, including tea and coffee breaks.</p> <p>Exclude: (a) hours paid for but not worked, such as paid annual leave, paid public holidays, paid sick leave, maternity / paternity leave; (b) meal breaks; (c) time spent on travel from home to work and vice versa.</p>
Key competences	<p>Those competences which all individuals need for personal fulfilment and development, employability, social inclusion, sustainable lifestyle, successful life in peaceful societies, health-conscious life management and active citizenship. They are developed in a lifelong learning perspective, from early childhood throughout adult life, and through formal, non-formal and informal learning in all contexts, including family, school, workplace, neighbourhood and other communities.</p> <p>The key competences are all considered equally important; each of them contributes to a successful life in society. Competences can be applied in many different contexts and in a variety of combinations. They overlap and interlock; aspects essential to one domain will support competence in another. Skills such as critical thinking, problem solving, team work, communication and negotiation skills, analytical skills, creativity, and intercultural skills are embedded throughout the key competences.</p>
Knowledge	Facts, figures, concepts, ideas and theories which are already established and support the understanding of a certain area or subject.
Night work	Period of not less than seven hours, as defined by national law, and which must include, in any case, the period between midnight and 5.00 am.
Non-employee worker in own workforce	A non-employee worker is an individual who is not in an employment relationship with the undertaking but whose work is controlled by it and who performs roles that are the same as or similar to those of its employees or is otherwise engaged in the undertaking's core business.
Own workforce/own worker	'Own workforce' includes both employees and non-employee workers engaged in an undertaking's core business. An 'own worker' is an individual who fits in either of these categories.
Paternity leave	Leave from work for fathers or, where and in so far as recognised by national law, for equivalent second parents, on the occasion of the birth of a child for the purposes of providing care.
Parental leave	Leave from work for parents on the grounds of the birth or adoption of a child to take care of that child.
Regular performance and career development review	<p>Review based on criteria known to the worker and his or her superior</p> <p>Note 1: The review is undertaken with the knowledge of the worker at least once per year.</p> <p>Note 2: The review can include an evaluation by the worker's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.</p>

Skills	Ability and capacity to carry out processes and use the existing knowledge to achieve results.
Social security	Social security is the protection that a society provides to individuals and households to ensure access to health care and to guarantee income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner.
Overtime	Overtime hours are the number of hours actually worked by a worker in excess of his or her contractual hours of work.
Training	For the aim of this Standard, training is defined as those initiatives put in place by the undertaking aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.
Wage	Gross wage, excluding variable components such as overtime and incentive pay, and excluding allowances unless they are guaranteed.
(work-related) hazards	<p>Work-related hazards (sources or situations with the potential to cause injury or ill health) can be:</p> <ul style="list-style-type: none"> • physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment); • ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration); • chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides); • biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites); • psychosocial (e.g., verbal abuse, harassment, bullying); • related to work-organisation (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).
Work-related incident	<p>Occurrence arising out of or in the course of work that could or does result in injury or ill health</p> <p>Note 1: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).</p> <p>Note 2: An incident that results in injury or ill health is often referred to as an 'accident'. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near-miss', or 'near-hit'.</p>
Working time	Any period during which the worker is working, at the employer's disposal and carrying out his activity or duties, in accordance with national laws and/or practice.

Work-life balance	Satisfactory state of equilibrium between an individual's work and private life. Work-life balance encompasses not only the balance between work and private life given family or care responsibilities, but also time allocation between time spent at work and in private life beyond family responsibilities.
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WORKING PAPER

Appendix B: Application Guidance

This appendix is an integral part of the [draft] ESRS S2 Working Conditions. It describes the application of the requirements set for in paragraphs 13-46 and has the same authority as the other parts of this [draft] ESRS S2 Standard.

[Disclosure requirement 1] - Assessment of skills gaps and training programmes

- AG 1. To meet this disclosure requirement, an undertaking shall disclose:
- (a) The management levels / groups involved in the identification exercise including trade union and worker representatives (European, local and group-level works councils, shop stewards, trade unions officials and worker board level representatives);
 - (b) The channels through which skills gaps and training needs are identified (questionnaires, performance reviews, etc.) and the frequency of such assessments (yearly, etc.);
 - (c) The instances raised by own workers/worker representatives in terms of skills gaps and training needs vis-à-vis the task duties of the job to be performed;
 - (d) The activities put in place by the undertaking to respond to the instances raised and the timeframe to do so;
- AG 2. The above (a)-(d) should be reported at group, regional and country levels. In instances where data is not available across the three levels, these shall be reported at group level.

[Disclosure requirement 2] - Governance and management responsibilities related to health and safety

- AG 3. Undertakings may further disclose :
- (a) the frequency of internal reporting on health and safety topics including the level of management and/or governance body to whom such reporting is addressed;
 - (b) the internal process for setting, and monitoring, health and safety targets and measures;
 - (c) the relevant internal performance measures, which may encompass additional many more indicators to than those required by this standard;
- AG 4. In detailing the overall governance of the undertaking, it may describe how its performance measures are linked to the variable compensation of those members of management (of all relevant levels of management) being in charge of health and safety matters.

[Disclosure requirement 3] – Training and Skills Development indicators

- AG 5. In order to disclose the information required by paragraph 26 (a), the undertaking shall calculate the:
- (a) number/proportion of performance reviews per employee
 - (b) number of reviews in proportion to the agreed number of reviews by the management
- AG 6. To disclose the average required per paragraph 26 (c), the undertaking shall perform the following calculation: total number of training hours offered to and completed by employees divided by the total number of employees.

- AG 7. The calculation defined in AG 5 above is to be performed by gender and employee category.
- AG 8. The calculation of paragraph 26 (d) requires an undertaking to include in the calculation the number/proportion of employees being or having been stationed in other countries as part of the training program.
- AG 9. Expenses on training required by paragraph 26 (e) include both those incurred for internal training-related activities well as those incurred for the same activities externally (e.g., master courses paid to employees, etc.)

[Disclosure requirement 4] – Coverage of the health and safety management system

- AG 10. As per paragraph 29 (a), the undertaking shall describe the health and safety management system in place or provide appropriate cross-references to ESRS S1 or ESRS G2 when the information described by AG10- AG11 is disclosed in another standard.
- AG 11. The disclosure requirement shall describe the undertaking's process to identify health and safety hazards at work and the risk assessment process. In doing so, an undertaking shall state:
- (a) whether any commonly recognized standards or guidelines were used, and if so, which, and to what extent external support of specialists, on the one hand, and the engagement, participation, consultation and suggestions of workers, on the other hand, were sought in these processes.
 - (b) the frequency of revisiting and re-evaluating the hazard identification and risk assessment for each major type of hazards, as well as the current focus areas for health and safety improvements.
- AG 12. In describing how the undertaking manages occupational health and safety, the description shall include the following information for each major type of hazards:
- (a) the key preventive and protective measures – safety installations, equipment, gear, as well as specific programs, training etc. - to prevent harm to its own workforce and to educate workers and raise awareness of safety matters;
 - (b) how management's commitment to health and safety is promoted - This includes: i) communication to its own workers of policies, targets and regulations specific to the workplace; ii) particular responsibilities of individuals for health and safety measures; and iii) engagement of and consultation with workers, regular surveys soliciting workers' evaluation and suggestions for improvement.
- AG 13. With regard to paragraph 29 (c) and (d), when the undertaking's health and safety management system, or certain parts thereof, has been subject to an internal audit or external certification, the undertaking shall state this fact, or absence thereof, and the underlying standards for such audits/certifications, as applicable.
- AG 14. In relation to paragraph 29 (c), (d) and (e), the number and percentage of own workers who are covered by the undertaking's health and safety management system shall be disclosed on a per capita basis rather than a full-time equivalent basis.

[Disclosure requirement 5] – Performance of the health and safety management system

- AG 15. The undertaking shall disclose information associated with work-related injuries, work-related ill health and work-related fatalities of its own workers.
- AG 16. Fatalities shall be reported separately for those resulting from work-related injuries defined in paragraph 33 (a) and those resulting from work-related ill health, refer to paragraph 33 (c).

Guidance on “work-related” (paragraph 33 (a) - (f))

- AG 17. Work-related injuries and work-related ill health arise from exposure to hazards at work. Notwithstanding, other types of incidents can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:
- (a) a worker suffers a heart attack while at work that it is not connected with work;
 - (b) a worker driving to or from work is injured in a car accident (when driving is not part of the work and where the transport has not been organised by the undertaking);
 - (c) a worker with epilepsy has a seizure at work that it is not connected with work.
- AG 18. With regard to travelling for work purposes, injuries and ill health that occur while a worker is travelling are work related if, at the time of the injury or ill health, the worker was engaged in work activities ‘in the interest of the employer’. Examples of such activities include travelling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer). If the undertaking is responsible for the transport commuting incidents, these are considered to be work-related. Nonetheless, incidents which arise during travel, outside of the undertaking’s responsibility (i.e. regular commuting to and from work), may be reported separately provided that the undertaking has such data available across the undertaking.
- AG 19. With regard to working from home, injuries and ill health that occur when working from home are work related, if the injury or ill health occurs while the worker is performing work from home; and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.
- AG 20. With regard to mental illness, it is considered to be work related, if it has been notified voluntarily by the worker and it is supported by an opinion from a licensed healthcare professional with appropriate training and experience; such opinion states that the illness is work related.
- AG 21. Health issues resulting, for example, from smoking, drug and alcohol abuse, physical inactivity, unhealthy diets, and psychosocial factors unrelated to work are not considered work-related.
- AG 22. Occupational diseases are not considered work-related injuries, but are covered under work-related ill health.

Guidance on recordable work-related ill health (paragraph 33 (c) and (d))

- AG 23. Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (e.g., noise induced hearing loss, vibration-caused diseases), and mental illnesses (e.g., anxiety, posttraumatic stress disorder). For the purpose of the required disclosures, the undertaking shall, at a minimum, include in its disclosure those cases outlined in the ILO List of Occupational Diseases.
- AG 24. In the context of this Standard, work-related musculoskeletal disorders are covered under work-related ill health (and not injuries).
- AG 25. The incidents to be disclosed in paragraph 33 relate to cases of work-related ill health notified to the undertaking or identified by the undertaking through medical surveillance, during the reporting period. The undertaking might be notified of cases of work-related ill health through reports by affected workers, compensation agencies, or healthcare professionals. The disclosure may include cases of work-related ill health that were detected during the reporting period among former workers.

Guidance on computing the rate (paragraph 33 (a) and (b))

- AG 26. In computing the rate of fatalities and work-related injuries, the undertaking shall divide the respective number of cases by the number of total hours worked by own workers

and multiplied by 1,000,000. Thereby, these rates represent the number of respective cases per one million hours worked. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full time workers over a one-year timeframe. For comparability purposes a rate of 1,000,000 hours worked should be used also for undertakings with less than 500 workers.

- AG 27. If the undertaking cannot directly calculate the number of hours worked, it may estimate this on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (e.g., paid vacations, paid sick leave, public holidays) and explain this in its disclosures.
- AG 28. An undertaking shall include fatalities as a result of work-related injury in the calculation of the number and rate of recordable work-related injuries.

Guidance on the number of days lost (paragraph 33 (e) and (f))

- AG 29. The undertaking shall count the number of days lost as such that the first full day and last day of absence should be included. Days on which the affected individual is not scheduled for work (e.g. weekends, public holidays) do not count as lost days.

Guidance on absentee rate (paragraph 33 (g))

- AG 30. The absentee rate shall be calculated by dividing the number of absent days by the number of work days per year.
- AG 31. Absent days are unplanned absences caused by sickness or injuries of own workers. Absences caused by other reasons such as e.g. vacation, parental leave, leaves granted for special occasions (such as wedding, death of a family member, birth of child, relocation, caretaking for family members) are not included in the numerator. The absent days shall be counted for as long as the employment or service contract is in place (even though e.g. an insurance covers for the remuneration and the undertaking may no longer be obligated to pay the worker).
- AG 32. Workdays per year are determined based on the number of days in the year that the individual is scheduled to work, which typically excludes weekend days, public holidays (including mandatory company days) and voluntary days off (vacation days and special days off).
- AG 33. For part-time workers, the numerator and denominator should be pro-rated using the same basis.
- AG 34. In categorising the workforce, the undertaking shall define reasonable and meaningful categories which enable users of the information to understand different rates between the categories. Examples for such categorisation could be the job description (different roles in an undertaking with different risk exposure to illness or injury), gender, location/region or type of employment.

Guidance on healthcare benefits (paragraph 33 (h))

- AG 35. Healthcare benefits relieve the own workers from the cost of required medical treatment. The span of such benefits can be wide, but shall cover, as a minimum, such treatment and support which is medically necessary.

[Disclosure requirement 6] – Working hours

AG 36. An undertaking shall use the following formula to calculate the percentage of FTEs working more than 48 hours per week:

$$\frac{\text{Total number of FTEs working more than 48 hours per week over a reference period}}{\text{Total number of FTEs}} \times 100$$

AG 37. To determine the total number of FTEs working more than 48 hours per week, an undertaking shall calculate the average working hours for each seven-day period, including overtime, worked per FTE over the applicable statutory reference period, according to the following guidelines:

- (a) the applicable statutory reference period is established by the applicable national legislation and / or collective agreement. If it exceeds four months, the undertaking shall specify the reference period used for calculation purposes and with which national law or collective agreement it is aligned;
- (b) the periods of paid annual leave and the periods during which the employment or work relationship is suspended due, for instance, to sick leave or temporary lay-off, shall not be included or shall be neutral in the calculation of the average working hours;
- (c) working hours shall be calculated based on 60 minutes per hour and considering hours actually worked;
- (d) for FTEs below 1 (workers that do not work full time) the 48 hours shall be reduced accordingly in the calculations

AG 38. An undertaking shall use the total number of FTEs during the reporting period.

AG 39. Where applicable, an undertaking shall describe significant changes in data or calculation methodology compared to the previous year's submission. For a given change, the undertaking should explain if the data disclosed deviated from the unit or format requested.

[Disclosure requirement 7] – Work-life balance indicators

AG 40. The undertaking shall disclose information associated with family-related leave and flexible working arrangements.

AG 41. Family-related leave include maternity leave, paternity leave, parental leave, and carers' leave. Breakdown by gender shall not be provided with regard to maternity leave.

AG 42. With regard to paragraph 39 (a), workers entitled to family-related leave are those workers that are covered by regulations, organisational policies, agreements or contracts that contain family-related leave entitlements and have reported their entitlement to the undertaking.

AG 43. With regard to paragraph 39 (c), the undertaking shall use the following formulas to calculate the return to work and retention rates of workers that took parental leave:

AG 44. Return to work rate:

Total number of workers that did return to work after parental leave
_____ x 100

Total number of workers due to return to work after taking parental leave

Retention rate:

Total number of workers retained 12 months after returning to work following a period of parental leave
_____ x 100

Total number of workers returning from parental leave in the prior reporting period(s)

- AG 45. In order to determine which workers returned to work after parental leave ended and were still employed 12 months later, an undertaking can consult records from the prior reporting periods.
- AG 46. An undertaking shall disclose whether it has considered the average number of workers in the reporting period, the total number of workers during the reporting period or the total number of workers at year-end. Also, whether it has used FTE or Headcounts for the calculation.
- AG 47. With regard to paragraph 39 (d), workers entitled to flexible work-arrangements for caring purposes are those workers that are covered by regulations, organisational policies, agreements or contracts that contain flexible work-arrangements for caring purposes entitlements.
- AG 48. An undertaking shall disclose whether it has considered the average number of workers in the reporting period, the total number of workers during the reporting period or the total number of workers at year-end. Also, whether it has used Full Time Equivalents (FTE) or headcounts for the calculation.
- AG 49. Where applicable, an undertaking shall describe significant changes in data or calculation methodology compared to the previous year's submission. For a given change, the undertaking should explain if the data disclosed deviated from the unit or format requested.

[Disclosure requirement 8] - Fair Remuneration

- AG 50. The undertaking shall disclose information on the remuneration of its lowest paid own workers.
- AG 51. The lowest wage shall be calculated as the full-time equivalent in the lowest pay category, excluding interns and apprentices. This is to be based on the full time equivalent basic wage plus any fixed additional payments that are guaranteed to all own workers. The lowest wage shall be considered separately for each country in which the undertaking has operations for each of four categories of its own workers: female employees, male employees, female non-employee workers, and male non-employee workers.
- AG 52. The undertaking shall report which fair wage benchmark it has used for comparison with the lowest wage in countries in which it has operations. The fair wage calculated by this benchmark shall not be less than 60% of the national median gross wage or 50% of the

national average gross wage, as calculated by the OECD, Eurostat or another public or inter-governmental organisation. For countries where this data is not available, the benchmark fair wage shall not be less than the statutory minimum wage (if it exists).

AG 53. The ratio of the lowest wage to the fair wage shall be calculated as follows, by country, for each of the four categories of own workers listed in Disclosure Requirement 8 for which the lowest wage is below the fair wage: Lowest wage / Fair wage.

AG 54. The percentage of employees earning less than the fair wage is calculated by country, using the following formula:

$$\frac{\text{Number of FTEs earning less than the fair wage}}{\text{Number of FTEs}} \times 100$$

AG 55. The percentage of non-employee workers earning less than the fair wage is calculated by country, using the following formula:

$$\frac{\text{Number of non-employee workers in their own workforce as FTEs earning less than the fair wage}}{\text{Number of non-employee workers in their own workforce as FTEs}} \times 100$$

AG 56. The undertaking shall make a 'best effort' to fulfil the information on non-employee workers required by Disclosure Requirement 8. Where this reporting is not extended to non-employee workers, the undertaking shall report the reasons why and the plan to extend this reporting to non-employee workers.

[Disclosure requirement 9] – Social security eligibility coverage

AG 57. The undertaking shall disclose information related to social security. Social security is defined as guaranteed income security in cases of old age, unemployment, sickness, access to healthcare, invalidity, work injury, maternity or loss of a breadwinner.

Basis for Conclusions

[Forthcoming]

WORKING PAPER