

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG SRB. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG SRB or EFRAG SR TEG. The paper is made available to enable the SRT members to follow the discussions in the meeting.

**To note: These enhancements were agreed by the SR TEG on 2 March 2023. These have not been included yet in the approved version by the SR TEG on the 2 March.**

## **ESRS S1-S4: Enhancement in social disclosures regarding vulnerable groups and consumers and end-users**

### **Objective**

- 1 The objective of this paper is to discuss and agree on the direction and content of specific enhancements for S1-S4 that are pending to be embedded on the version shared with the SR TEG for its approval on the 6<sup>th</sup> March 2023. In particular, the enhancements pending relate to providing:
  - (i) A vulnerable groups' perspective throughout the coal and mining working paper for [draft] ESRS S1 to S3.
  - (ii) A disclosure, either datapoint or application requirement, on product traceability for [draft] ESRS S4 Customers and end-users

### **Background**

- 2 One of the objectives of the sector-specific standards, as discussed by the SRB, is to provide guidance on the application of the sector-agnostic disclosure requirements through the lens of the sector. The structure used in the topical social standards, based on the core due diligence process on human rights, provides the architecture whereby specificities from a given sector can be built upon and be complimentary to Set 1 whilst avoiding duplications.
- 3 Regarding the first point, some EFRAG SR TEG members have provided feedback on the potential lack of specific content to address the potential and actual impacts on vulnerable groups that the Mining, Coal and Quarries sectors have, particularly on women and children. Other frameworks for extractive industries, as well as feedback received from civil society experts, also pointed out on specific nuances whose impacts might have for certain vulnerable groups.
- 4 Regarding the second point, an increasing amount of legislation and frameworks at the EU and international level are addressing the issue of traceability of raw materials and produced goods through the value chain. Traceability refers to “the ability to trace the source, origin, or production conditions of raw materials and final products.” (GRI definition). The EU has passed legislation on traceability in the mining sector (the Conflict Minerals Regulation, which covers tin, tantalum, tungsten and gold); other EU regulation involving traceability

includes the General Food Law Regulation and the Timber regulation. OECD Due Diligence Guidance addresses traceability in value chains; in the mining sector this is provided by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The OECD has published over a dozen guides and studies on this issue in the mining sector.

### **Proposal on enhancing the vulnerable groups' perspective**

- 5 EFRAG Secretariat has considered including the first point transversally as a lens in the application requirements across S1, S2 and S3, since the sector-agnostic standards provide already a broad framework to report on. These are specifications on issues that could be material, particularly, in the sector and therefore should be taken into account when reporting.
- 6 The table in the Appendix illustrates the current content considered related to S1 to S3 in the Mining, Coal and Quarries draft (first column), and the additional text proposed to apply a more robust vulnerable groups perspective (second column).

### **Proposal on enhancing the Customers and end-users' sub-topic**

#### **Context**

- 7 There is increasing demand from users for information on whether undertakings are enabling consumers and end-users to trace the origin and production conditions for the products they are purchasing. Following the decision tree presented to the SRTEG on 3 February 2023 (Paper 04.01) and to the SRB on 7 February 2023 (Paper 05-01), the inclusion of this issue has been considered relevant as it is addressed in EU-specific regulation and other international frameworks (see paragraph 4), and European undertakings already participate in traceability initiatives as mentioned in the following paragraphs.

#### **Examples from existing initiatives**

- 8 A number of initiatives have been undertaken responding to the increasing demand from consumers, investors and civil society organizations for traceability in the mining industry:
  - The Responsible Minerals Initiative (RMI) is an umbrella organization with more than 400 member companies worldwide, which supports responsible mineral production of all minerals. It developed the Responsible Minerals Assurance Process (RMAP) which constitutes different criteria for socially responsible mining practices.
  - The Copper Mark is an industry funded label, which confirms that the labelled production sites meet either the Risk Readiness Assessment criteria (developed by the RMI) or the Joint Due Diligence Standard based on the London Metal Exchange (LME) Responsible Sourcing requirements for sustainable copper mining.
  - The Kimberly Process is an international certification scheme that emerged in reaction to the UN Fowler Report (2000) and motivates national legal action against “conflict diamonds”. Today over 98% of traded diamonds are certified “conflict free” by the Kimberley Process Certification Scheme.
  - The Responsible Jewelry Council developed a Chain-of-Custody and a Code-of-Practice standards for supervising metal mining worldwide. Today ca. 1700 companies are part of the RJC.

- As the international standard setter of the global precious metal industry the London Bullion Market Association (LBMA) developed a Responsible Gold Guidance (RGG) and works on a similar standard for silver mining. 147 companies in 22 countries are member of the LBMA.
- The Responsible Mica Initiative requires members to map the source of mica which they are using. All supply chain participants of members must adopt workplace standards. The Initiative has more than 80 members across cosmetics and automotive industries.

### Drafting proposal

9 The proposal is to include additional datapoints within S4-1, 4 and 5 Policies, actions and targets related to product traceability:

- Main text

“The undertaking shall describe its policies, actions and targets to identify the source, origin and production conditions of the metals and minerals it extracts and processes and disclose how this information is made available to consumers and end/users.

- Application Requirements

“The undertaking may disclose whether and how it participates in any initiative or labelling scheme to promote value chain traceability.

The undertaking may disclose whether the initiative it participates in is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.”

## Appendix – Table with enhancements on Application Requirements for S1-S3

Issues covered in draft MQC	Additional text with perspective on vulnerable groups
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<p><b>Disclosure Requirement related to [draft] ESRS S1-1 Policies related to own workforce</b></p> <ul style="list-style-type: none"> <li>- Policy on housing facilities for own workers and their access to basic services such as clean water, sanitation, and electricity as well as recreational facilities and social spaces.</li> <li>- Policy on long and split shifts with regards to working hours and overtime.</li> <li>- Policies on work-life balance for workers in operational locations</li> </ul>	
<p><b>Disclosure Requirement related to [draft] ESRS S1-13 Training and skills development</b></p> <ul style="list-style-type: none"> <li>- General approach and processes to ensure the quality of the training services related to work-related hazards, hazardous activities, or hazardous situations. [TO BE MOVED TO H&amp;S FOCUS]</li> <li>- <b>Average hours of training related to the health, safety and emergency preparedness of employees, broken down by permanent employees, temporary employees and non-guaranteed hours employees. [TO BE MOVED TO H&amp;S FOCUS]</b></li> </ul>	<p>To include in AR: The undertaking may disclose whether the trainings provide to its own workforce include prevention against sexual harassment and discrimination.</p>
<p><b>Disclosure Requirement related to [draft] ESRS S1-14 Health and safety indicators</b></p> <p>74. In addition to reporting on ESRS S1-14, the undertaking shall disclose the following for its own workforce:</p> <p>(a) a description of the substances of very high concern that workers are exposed to in its operations;</p> <p>(b) a description of other dangerous factors in the physical work environment, including:</p> <ul style="list-style-type: none"> <li>i. noise and vibrations;</li> <li>ii. ergonomic risk factors;</li> <li>iii. psycho-social organizational work environment; or</li> <li>iv. thermal strain and stress (including heat rash, heat fatigue, heat cramps, heat syncope, heat exhaustion and heat stroke); and</li> </ul> <p>(c) The undertaking shall provide the following information on health and safety indicators as a result of working with chemicals (including to crystalline silica, TO INCLUDE MINING SPECIFIC), such information shall be broken down between employees and non-employee workers in own workforce:</p> <ul style="list-style-type: none"> <li>i. the number of work-related fatalities,</li> <li>ii. the number of work-related injuries;</li> <li>iii. the number of work-related ill health cases</li> </ul> <p>(d) a description of the occupational health services functions that contribute to the identification and elimination of hazards and minimisation of risks and an explanation;</p> <p><b>(e) how the undertaking ensures the quality of these services and facilitates workers' access to them.</b></p>	<p><i>To include in AR:</i> The undertaking may specify whether sexual harassment is considered among psychosocial factors.</p> <p>In health and safety management system: whether equipment provided takes into consideration female workers, whether occupational health services and facilities take into consideration health-related concerns from female workers          [Source: OSHA - European Agency For Safety and Health at Work: "A gender-sensitive approach to OSH means recognising and taking account of the differences between male and female workers."]</p>

<p><b>Disclosure Requirement related to [draft] ESRS S3-1 Policies related to affected communities</b></p> <p>75. In addition to disclosing according to the sector agnostic S3-1 to affected communities, the undertaking shall describe its policies in relation to acquisition and involuntary resettlement, as well as the human rights and environmental defenders.</p> <p>76. Where applicable, the undertaking shall disclose its policies or approach in relation to its recognition of legitimate tenure rights holders when acquiring, leading or making other arrangements to sue, or restrict the use of land.</p> <p><b>77. With relation to the human rights and environmental defenders, the undertaking shall:</b>  <b>(a) specify whether it has a policy to respect and protect the human rights and environmental defenders, including regarding attacks against human rights and environmental defenders;</b>  <b>(b) describe whether the company has a policy commitment regarding attacks against human rights and environmental defenders, and may disclose the nature of that policy commitment, including whether it adopts a zero-tolerance approach for attacks against human rights and environmental defenders, and not to sue for defamation or to participate in strategic lawsuits against public participation (SLAPP).</b></p>	
<p><b>Disclosure Requirement related to [draft] ESRS S3-2 Processes for engaging with affected communities</b></p> <p>78. In addition to disclosing according to the sector agnostic ESRS S3-2 Processes for engaging with affected communities about impacts the undertaking shall describe its processes for engaging with human rights and environmental defenders.</p> <p><b>79. In relation to closure and post-closure activities of the undertaking, the undertaking shall disclose how the land will be used ex post the closure of the operational site. Where applicable, the undertaking shall disclose whether post-closure plans have been consulted with the affected communities.</b></p>	
<p><b>Disclosure Requirement related to [draft] ESRS S3-4 Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches</b></p> <p>80. In addition to reporting on ESRS S3-4 on impacts, the undertaking shall disclose the following for key operational site or group of operational sites within the same geographical area:  <b>(a) The extent of development of significant infrastructure investments (e.g. transport links, utilities) and services (e.g. community social facilities, health, and welfare centres) supported; and whether these investments and services are commercial, in-kind, or pro bono engagements.</b></p> <p><b>81. The undertaking shall describe the programs in place to enhance positive impacts or mitigate negative impacts involving Artisanal and Small-Scale Mining (ASM), and how engagement with local authorities and communities has informed them.</b></p>	

<p><b><i>Disclosure requirement MIN 6-S1 – Work stoppages</i></b></p> <p>116. The undertaking shall disclose the work stoppages and total duration during the year.</p> <p>117. The objective of this Disclosure Requirement is to enable an understanding of the extent of worker disputes and their impact on the undertaking’s operations.</p> <p>118. The undertaking shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the number of major work stoppages,</li> <li>(b) for each major work stoppage: <ul style="list-style-type: none"> <li>i. the percentage of employees involved;</li> <li>ii. the number of employees involved;</li> <li>iii. the length in days of each stoppage.</li> </ul> </li> </ul> <p>119. In addition, the undertaking may provide a description of the reasons (for example, worker disputes, affected communities’ protests) for each major work stoppage and, where applicable, any steps taken to resolve each dispute.</p>	
<p><b><i>Disclosure Requirement MIN 8-S13– Percentage of security personnel receiving training in undertakings’ human rights policies</i></b></p> <p>120. The undertaking shall disclose the percentage of security personnel that has received training in the undertaking’s human rights policies within own workforce.</p> <p>121. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking’s personnel are aware of its human rights policies and how these are respected when engaging with affected communities.</p> <p>122. The undertaking shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the percentage of security personnel that has received training in the undertaking’s human rights policies;</li> <li>(b) whether the undertaking has performed internally audits and /or audited or certified by an external party in relation to compliance with its own human rights policies when engaging with affected communities;.</li> <li>(c) where applicable, the number of the identified incidents of violations of human rights of indigenous people directly linked to its security personnel and an explanation of the type of violation.</li> </ul> <p>123. The undertaking may explain if the training provided is aligned with the Voluntary Principles on Security and Human Rights.</p>	

<p><b>Disclosure Requirement OG 12-S3 - Impact metrics on affected communities</b></p> <p>124. The undertaking shall disclose indicators regarding engagement with affected communities and the performance of its grievance mechanisms.</p> <p>125. The objective of this Disclosure Requirement is to enable an understanding of the impacts of the undertaking on affected communities.</p> <p>126. The undertaking shall disclose the following information for the operational sites listed in OG1:          (a) whether all its operational sites have grievance mechanisms;          (b) the number and / or percentage of sites with grievance mechanisms or similar conflict resolution procedures.</p> <p>127. The undertaking shall disclose the percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:          (a) social impact assessments, including gender impact assessments, based on participatory processes;          (b) environmental impact assessments and ongoing monitoring;          (c) local community development programs based on local communities' needs;          (d) works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;          (e) whether the results of environmental and social impact assessments have been made public.</p> <p><b>128. The undertaking may describe any collective or individual rights that it has identified that are of particular concern for local communities (including vulnerable groups).</b></p>	
<p><b>Disclosure Requirement MIN 7-S3 – Human Rights and Environmental defenders</b></p> <p>129. The undertaking shall describe the number of (confirmed) incidents when engaging with human rights and environmental defenders.</p> <p>130. The objective of this Disclosure Requirement is to enable an understanding of its performance in relation to respect of human right and engagement with environmental defenders.</p> <p>131. The undertaking shall provide the number of (confirmed) incidents with human rights and environmental defenders, broken down by vulnerable groups.</p>	
<p><b>Disclosure Requirement MIN 9-S3 – Resettlement</b></p> <p>132. The undertaking shall disclose the operational site for which it has caused or contributed to voluntary or involuntary resettlement.</p> <p>133. The objective of this Disclosure Requirement is to enable an understanding of the negative impacts that arise from voluntary or involuntary resettlement caused or contributed to by the undertaking on affected communities.</p> <p>134. The undertaking shall disclose whether it has caused or contributed to voluntary or involuntary resettlement or where such a resettlement is ongoing; in this case the undertaking shall disclose the operational site(s) involved.</p> <p>135. The undertaking shall describe cases of involuntary</p>	<p>AR XX: The undertaking shall consider whether any additional vulnerable groups have been negatively affected.”</p>

<p>resettlement required by its activities (where governments permit disclosure).</p>	
<p><b>Disclosure requirement MIN 10-S3 – Workforce hired from local communities.</b></p> <p>136. The undertaking shall disclose for each operational site identified in XX, percentage of workers hired from the local community.</p> <p>137. The objective if this disclosure requirement is to enable an understanding of the extent to which the undertaking’s workforce comes from its local community.</p> <p>138. The undertaking shall disclose:</p> <p>(a) the percentage of top management that are recruited from the affected community;</p> <p>(b) the percentage of workers hired from the local community, including indigenous communities.</p>	
<p><b>Application Requirement related to [draft] ESRS 2 SBM 2 - Interests and views of stakeholders</b></p> <p><b>AR 6. When disclosing how the undertaking engages with its stakeholders in compliance with ESRS 2 SBM-2, the undertaking shall describe how it incorporates the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector, and in particular how it engages with affected stakeholders.</b></p> <p><b>AR 7. Furthermore, the undertaking shall consider the following:</b></p> <p>(a) the approach to identifying stakeholders within local communities;</p> <p>(b) a description of the vulnerable groups that the organisation has identified within local communities by mine site.</p>	<p>AR 7. (b) a description of the vulnerable groups that the organisation has identified within local communities by mine site, such as women, children, migrants and their families, indigenous peoples, etc.</p> <p>[Source: SR TEG suggestion]</p>
<p><b>Application Requirement related to [draft] ESRS 2 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)</b></p> <p><b>AR 8. When disclosing its impacts on its own workforce and the local community, the undertaking shall consider disclosing:</b></p> <p>(a) the undertaking’s policies, actions and targets to help <b>own workers and non-employee</b> workers manage the adverse impacts arising from the closure of its operational site(s);</p> <p>(b) the labour transition plans in place to help workers manage the transition to a post-closure phase of operations (e.g., redeployment, assistance with redeployment, resettlement, and redundancy payments, training and skills programmes);</p> <p>(c) the collaborative efforts, projects and programs that are set up to manage the socio-economic impact of closure and restoration programs and disclose these.</p> <p>(d) how it engages with worker and other stakeholders in informing the closure plans, as well as notice periods regarding closure.</p> <p>(e) The undertaking with coal mining operations when disclosing the results of the resilience analysis including the results from the use of scenario analysis (E1-SBM3) shall consider disclosing how future energy demand scenarios may affect its determination of proven reserves.</p>	<p>AR XX. The undertaking may consider disclosing which impacts on affected communities are specific to vulnerable groups such as children, women, migrant workers, indigenous peoples or any other vulnerable group, as applicable.</p> <p>[Source: SR TEG suggestion to add a new DR on specific impacts on vulnerable groups. EFRAG Secretariat considers this is already covered in S3 “DR related to ESRS 2 SBM-3 (para. 9)”, therefore to include in AR]</p>



<p><b>Application Requirement related to ESRS S1-1 Policies related to own workforce</b></p> <p><b>AR 38. When disclosing whether the undertaking has a health and safety management system, it may include a description of the occupational health services functions that contribute to the identification and elimination of hazards and minimisation of risks and an explanation when such information has not been considered in sector-agnostic.</b></p>	<p>AR XX. When disclosing its policy on housing facilities and access to basic services, the undertaking may specify whether it takes into consideration specific needs for female workers.</p>
<p><b>Application requirement related to [draft] ESRS S1-11 Social protection</b></p> <p><b>AR 39. In addition to disclosing how its own workers are covered against loss of income due to major life events in [draft] ESRS S1-11, the undertaking may disclose whether all workers in its own workforce are covered by non-occupational medical healthcare services through public programs or through benefits offered by the undertaking.</b></p> <p><b>AR 40. For the workers who do not have their non-occupational medical healthcare services through public programs the undertaking may disclose:</b></p> <ul style="list-style-type: none"> <li><b>(a) how the undertaking facilitates workers' access to non-occupational medical and healthcare services, including the scope of their access;</b></li> <li><b>(b) a description of voluntary health promotion services and programs offered to workers that address major non-work-related health risks and how the organisation facilitates workers' access to these services and programs.</b></li> </ul> <p><b>AR 41. Voluntary health promotion programs and services may include:</b></p> <ul style="list-style-type: none"> <li><b>(a) smoking cessation programs</b></li> <li><b>(b) dietary advice</b></li> <li><b>(c) offering of healthy food in the canteen</b></li> <li><b>(d) stress-reducing programs</b></li> <li><b>(e) provision of a gym or</b></li> <li><b>(f) fitness programs.</b></li> </ul> <p><b>AR 42. A program or service is voluntary when it does not set mandatory personal targets, and if incentives are provided, these are not associated with the undertaking's decisions regarding employment or engagement of workers.</b></p> <p><b>AR 43. In addition, voluntary health promotion services and programs complement but cannot be a substitute for occupational health and safety services, programs and systems that prevent harm and protect workers from work-related injuries and ill health. Voluntary health promotion and occupational health and safety may be managed jointly by the undertaking, as part of an overall approach to ensuring the health and safety of workers. When describing how it facilitates workers' access to voluntary health promotion services and programs, the undertaking may consider disclosing whether it allows workers to make use of these during paid working hours.</b></p> <p><b>AR 44. The undertaking can also report if these services and programs are available for family members of workers.</b></p>	

<p><b>Application Requirement related to [draft] ESRS S1- Appendix B.1 – Application Requirements for ESRS 2 related disclosures</b></p> <p>AR 45. When disclosing the requirements in ESRS S1 Own workforce for ESRS 2 related disclosure the undertaking shall consider the following datapoints:</p> <ul style="list-style-type: none"> <li>• Secure employment (% of posted workers in own workforce)</li> <li>• Working time (% of workers regularly working multi-day away-from-home assignments, % of workers regularly working evening shifts, % of workers regularly working night shifts, % of workers regularly working on Saturdays and/or Sundays)</li> <li>• Adequate wages (Allowances for housing for away-from-home assignments)</li> <li>• <b>Freedom of association/ collective bargaining including the rate of workers covered by collective agreements (% of workers affected by work stoppages)</b></li> </ul>	
<p><b>Application Requirement related to [draft] ESRS S1- Appendix B.2 - Application Requirements for ESRS S1-1 Policies related to own workforce</b></p> <p>AR 46. When disclosing the requirements in ESRS S1 Own workforce for policies related to the own workforce the undertaking shall consider the following datapoints:</p> <ul style="list-style-type: none"> <li>• Secure employment (Policies on the use of non-employee workers in the workforce)</li> <li>• Working time (Policies on advance notice of scheduling, multi-day away-from-home assignments, and evening, night and weekend work)</li> <li>• Adequate wages (Policies for housing allowances)</li> <li>• <b>Freedom of association/ collective bargaining including the rate of workers covered by collective agreements (% of workers affected by work stoppages)</b></li> </ul>	
<p><b>Application Requirement related to [draft] ESRS S1- Appendix B.3 – Application Requirements for ESRS S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</b></p> <p>AR 47. When disclosing the requirements in ESRS S1 Own workforce for actions related material impacts on own workforce the undertaking shall consider the following datapoints:</p> <ul style="list-style-type: none"> <li>• Secure employment (Reducing the percentage of non-employee workers in its own workforce)</li> <li>• Working time (Increased percentage of workers with regular schedules; Increased advance notice of scheduling; Reducing percentage of multi-day away-from-home assignments, and evening, night and weekend work)</li> <li>• Adequate wages (Increasing housing allowances)</li> <li>• <b>Freedom of association/ collective bargaining including the rate of workers covered by collective agreements (Percentage of workers affected by work stoppages)</b></li> </ul>	

<p><b>Application Requirement related to [draft] ESRS S1- Appendix B.4 – Application Requirements for ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</b></p> <p>AR 48. When disclosing the requirements in ESRS S1 Own workforce for targets related to managing material negative impacts the undertaking shall consider the following datapoints:</p> <ul style="list-style-type: none"> <li>• Secure employment (Reducing the percentage of non-employee workers in its own workforce)</li> <li>• Working time (Increased percentage of workers with regular schedules; Increased advance notice of scheduling; Reducing percentage of multi-day away-from-home assignments, and evening, night and weekend work)</li> <li>• Adequate wages (Adequate housing allowances)</li> <li>• <b>Freedom of association/ collective bargaining including the rate of workers covered by collective agreements (Percentage of workers affected by work stoppages)</b></li> </ul>	
	<p><b>Application Requirement related to [draft] S2-4 Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches</b></p> <p>AR X. The undertaking may specify the actions taken to address child labour and forced labour when identified in their value chain.</p> <p>[Source: inspiration from GRI 414-2, GRI asks for the number and other information regarding negative social impacts identified in the supply chain]</p>
<p><b>Application Requirement related to ESRS S3-1 Policies related to affected communities</b></p> <p><b>AR 1. When disclosing its policies related to land acquisition and involuntary resettlement, the undertaking may disclose if it has included a gender perspective in them.</b></p>	<p>AR 1. When disclosing its policies related to land acquisition and involuntary resettlement, the undertaking may disclose if it has considered or addressed potential negative impacts that are specific to women and children.</p> <p>[Source: IPIECA for Oil and Gas]</p>
<p><b>Application Requirement related to [draft] ESRS S3-2 Processes for engaging with affected communities about impacts</b></p> <p>AR 48. The undertaking shall consider listing the vulnerable groups, including any indigenous peoples, that it has identified within local communities and the approach to engaging with those vulnerable groups, including:</p> <p>(a) how it seeks to ensure meaningful engagement; and</p> <p>(b) how it seeks to ensure safe and equitable gender participations, namely how it seeks to ensure Indigenous women can participate safely and equitably.</p> <p>AR 49. When disclosing the engagement with human rights and environmental defenders, the undertaking shall consider its processes for engaging with human rights and environmental defenders as part of its due diligence processes, including on managing allegations of retaliations, threats and direct/indirect attacks (physical and legal –</p>	

<p>including all forms of judicial harassment) against defenders.</p> <p>AR 50. The description of how an undertaking engages with local communities shall also consider an explanation on how the land will be used ex post the closure of the operational site. Where applicable, the undertaking shall develop such post-closure plans in consultation with local communities.</p> <p>AR 51. At the end of their commercial use, operational sites such as mines and other facilities are expected to be decommissioned or closed by the undertaking in an orderly way. Closure and rehabilitation can include:</p> <ul style="list-style-type: none"> <li>(a) Stabilisation of open-pit or underground workings, such as landfilling to prevent subsidence;</li> <li>(b) Removal or conversion of infrastructure;</li> <li>(c) Rehabilitation of waste rock stockpiles and tailings facilities to control erosion and land degradation;</li> <li>(d) Management of waste, surface water and groundwater quality issues resulting from abandoned mine drainage, waste rock and leaching's from tailings; and</li> <li>(e) Post-closure environmental and socio-economic monitoring.</li> </ul> <p>AR 52. The operational life of operational sites may last for several decades a regularly updated restoration plan is essential. For this reason, the undertaking may update its closure and restoration plan annually and such disclosure shall be considered by the undertaking.</p> <p>AR 53. When describing responding to ESRS S3-2, the undertaking shall consider:</p> <ul style="list-style-type: none"> <li>(a) its due diligence practices and procedures with respect to indigenous rights of communities in which it operates or intends to operate, specifically: upholding internationally recognized rights of Indigenous peoples, including but not limited to those recognized by the UN declaration on the Rights of Indigenous Peoples, and the ILO Convention No. 169;</li> <li>(b) the use of free, prior, and informed consent (FPIC) (or consultation) processes as per the United Nations Declaration on the Rights of Indigenous Peoples;</li> <li>(c) The undertaking shall also consider the governance mechanisms that has been put in place to ensure that its policies and practices followed by the undertaking.</li> </ul> <p><b>AR 54. The undertaking may include how practices apply to business partners, such as contractors, sub-contractors, suppliers, and joint venture partners. Where practices do not apply to business partners, the undertaking may discuss factors that prevent the application of such practices.</b></p>	
<p><b><i>Application Requirement related to [draft] ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns – Closure and post closure</i></b></p> <p><b>AR 55. When disclosing its processes to remediate negative impacts following [draft] ESRS S3-3, the undertaking shall consider how it engages with local communities and other relevant stakeholders on its closure and post-closure planning and implementation, including post-mining land-use, to limit the actual and potential adverse impacts (e.g. unemployment, people moving out affecting the liveability of remaining supporting activities such as local shops, schools).</b></p>	<p>AR XX. The undertaking may disclose whether it has addressed potential access-barriers faced by affected communities, particularly by vulnerable groups, to reach the channels in place (e.g., understandable language, technological resources, accessible to children).</p> <p>AR XX. The undertaking may disclose whether it has any agreements or initiatives with local, national or international NGOs to provide trustworthy channels for affected communities to raise concerns.</p>

	<p>[Source: Amazon Watch insight; grievance mechanism accessible to children from IPIECA for Oil and Gas]</p>
<p><b>Application Requirement related to [draft] S3-4 Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches</b></p> <p>AR 56. The undertaking shall consider the impacts on affected communities that stem from the undertaking's impacts on biodiversity when disclosing the actions that are planned or underway to address negative impacts on these affected communities. The undertaking shall consider the principles in the Nagoya Protocol and the Montreal Agreement. The undertaking may refer to how the actions that are planned or underway are aligned to these frameworks.</p> <p>AR 57. If the undertaking has an operation site in or near indigenous lands as listed in MIN 1 the undertaking shall consider:</p> <ul style="list-style-type: none"> <li>(a) its interactions with indigenous peoples, including but not limited to means of communication, language used, frequency;</li> <li>(b) where applicable, the co-ownership programs developed for indigenous peoples and local communities. This includes equity shares acquired by communities and their value;</li> <li>(c) the most recent examples of involvement in the process of seeking free, prior, and informed consent from indigenous peoples to any of the undertakings' activities, and whether an agreement has been reached and if it is publicly available.</li> </ul> <p>AR 58. In addition, the undertaking may disclose the approach taken in recognising the legitimate tenure rights holders when acquiring, leasing or making other arrangements to use, or restrict the use of, land as well as to providing remediation following involuntary resettlement either through monetary or asset compensation.</p> <p><b>AR 59. The undertaking may disclose how it addresses any risks related to free, prior, and informed consent from indigenous peoples in countries without regulation or processes in place. It may disclose whether it performs a Risk assessment for new country entry before the subscription of a contract in a new country of operations and if so, it may disclose the results of that assessment.</b></p>	<p>AR XX. When disclosing the extent of development of significant infrastructure investments and services supported, the undertaking may disclose whether any of these seek to address specific needs of women and children in the affected communities.</p> <p>[Source: IPIECA for Oil and Gas]</p>
<p><b>Application Requirement MIN 7-S3 – Human rights and environmental defenders</b></p> <p>AR 76. When describing the procedures and management of public or private security providers, the undertaking shall refer to training provided on company policies or international standards focused on safeguarding human rights as well as guidelines on the use of physical force and reporting procedures. It may also refer to screening and assessment processes, cost reimbursement and the use of company facilities.</p> <p><b>AR 77. When calculating the number of incidents in paragraph 118 , the undertaking shall consider official sources such as policy reports or other reports issued</b></p>	<p>AR 77. When calculating the number of incidents in paragraph 118, the undertaking shall consider official sources such as policy reports or other reports issued by governmental organisations. The undertaking shall also consider information raised by legitimate representatives or credible proxies from indigenous people, as well as reports issued by local, national and international NGOs. The undertaking shall not consider unofficial sources e.g. social media.</p>

<p><b>by governmental organisations. The undertaking shall not consider unofficial sources e.g. social media.</b></p>	<p>[Source: Amazon Watch insight on the lack of trust on the undertaking's and governmental channels]</p> <p>AR XX. When disclosing the number of incidents broken down by vulnerable groups, the undertaking may disclose whether the threats and violence identified are different depending on the particular group affected (e.g., sexual violence on female human rights and environmental defenders).</p> <p>[Source: SR TEG member suggestion to specify/highlight "women" among vulnerable groups, and Amazon Watch insight on the different type of threats and violence based on gender/sexual orientation.]</p> <p>AR XX. The undertaking may disclose if it has any initiatives or projects underway to support the actions or causes human rights and environmental defenders strive for.</p> <p>[Source: Amazon Watch insight]</p>
<p><b><i>Application Requirement MIN 8-S3 – Percentage of security personnel receiving training in undertaking's human rights policies</i></b></p> <p>AR 78. The undertaking shall consider the content of the trainings offered (e.g. differentiate between training related to security issues and training on human rights policies) when preparing this Disclosure Requirement and also if it addresses the protection of vulnerable and marginalised groups, especially women, children and indigenous populations.</p> <p><b>AR 80. The undertaking may disclose information on its processes of tendering and contracting with security providers. It may also disclose whether requirements related to the undertaking's human rights policies are included in private security contracts.</b></p>	<p>AR XX. Human rights training for security personnel aims at ensuring human rights respect with regards to their interaction with stakeholders including local communities, ensuring a non-discriminatory approach to women and minorities, not exacerbating social conflict, [how to collaborate with public and private security providers], processes relating to detention of persons, undue use of force which includes ensuring that force is used only when necessary.</p> <p>[Source: SR TEG member suggestion]</p>
<p><b><i>Application Requirement MIN 10-S3 – Workforce hired from local communities</i></b></p> <p><b>AR 81. Workers hired from local communities include those individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of 'local' can include the community surrounding operations, a region within a country, or a country.</b></p>	<p>AR XX. The undertaking may disclose whether it has assessed or identified potential negative risks in the local communities caused or contributed by its hiring policy.</p>