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This draft has not yet been subject to the English editorial review, which will be performed in the version approved by EFRAG SR TEG when submitted to EFRAG SRB.

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Cross-Cutting

ID 177 – Mapping sustainability matters (ESRS 1 AR 16) with Disclosure Requirements

Question asked

Is there a mapping link between the sustainability matters listed in ESRS 1 paragraph AR 16 and the Disclosure Requirements in the topical standards or must judgement be used in deciding the disclosures required for a material sustainability matter?

Key terms

Mapping sustainability matters and Disclosure Requirements

ESRS reference

ESRS 1 paragraphs 30, AR 16

Background

ESRS 1 paragraph 30 states: ‘When the undertaking concludes that a sustainability matter is material as a result of its materiality assessment on which ESRS 2 IRO-1, IRO-2 and SBM-3 set Disclosure Requirements, it shall:

- (a) disclose information according to the Disclosure Requirements (including Application Requirements) **related to that specific sustainability matter** in the corresponding topical and sector-specific ESRS’.

ESRS 1 paragraph AR 16 (List of sustainability matters) states: ‘When performing its materiality assessment, the undertaking shall consider the following list of sustainability matters covered in the topical ESRS. When, as a result of the undertaking’s materiality assessment (see ESRS 2 IRO-1), a given sustainability matter in this list is assessed to be material, the undertaking shall report according to the corresponding Disclosure Requirements of the relevant topical ESRS.’

IG 1 *Materiality Assessment* paragraphs 77 and 78 state:

- ‘77. The process of identification of the potential matters may start with the screening of the list of matters summarised in ESRS 1 paragraph AR 16 and then be complemented with additional entity-specific matters ...
78. The undertaking may also develop a “long” list of impacts, risks and opportunities relevant to its business model and upstream/downstream value chain and aggregate them following the structure provided in ESRS 1 paragraph AR 16 ...Then, the undertaking could compare the matters identified with the list in ESRS 1 AR 16 for completeness. The two approaches may be combined.’

Disclaimer

This explanation is not intended to be used as a tool to support the assessment of the materiality of sustainable topics (or matters), but it can be helpful once the material matters have been determined to support preparers to identify the Disclosure Requirements and datapoints that are linked to the matters (topics, subtopics and sub-subtopics) assessed as being material.

ESRS 1 paragraph AR 16 shall be considered when performing the materiality assessment, but the materiality of each subtopic or sub-subtopic should not necessarily be assessed when at the related

topical level the entire topic is assessed as not material, respectively; the materiality of each sub-subtopic should not necessarily be assessed when at the related sub-topic level the entire sub-topic is assessed as not material.

If the undertaking has assessed entity-specific matters not listed in ESRS 1 paragraph AR 16 as material, then ESRS 1 paragraphs 11 and 30(b), AR 1 to 5 and ESRS 1 Chapter 10.1 apply (see also IG 1 *Materiality Assessment Chapter 4 How can other sources be leveraged?*).

The mapping in this explanation does not imply any automatism relating to the conclusion on the materiality of a **metric** when the related matter has been deemed material. It is still possible for the undertaking to conclude that a Disclosure Requirement or a datapoint of metrics is not material (or not applicable) to the undertaking despite it pertaining to a material matter. The assessment of the materiality of information requires the exercise of judgment.

The mapping in this explanation is based on the assumption that the relationship between sustainability matters across two different topical ESRS (for instance, the relationship of Climate Change and Biodiversity, or the relationship between Biodiversity and Affected communities) or the relationship between sustainability matters within one topic (for instance, the relationship between Climate change adaptation and Energy – (both ESRS E1), or the relationship between Collective Bargaining and adequate wages – (both ESRS S1)) have been evidenced by the undertaking at the level of the materiality assessment and that such interrelations will be reflected when assessing the materiality of information. For example, if an undertaking has identified negative material impacts related to ESRS S3 Affected Communities due to negative material impacts on ESRS E4 Biodiversity connected to the undertaking, this relationship would be identified when performing the materiality assessment described in ESRS 2 IRO-1. Another example is where pollution of water (ESRS E2) limits the availability of clean water (ESRS E3) and poses a threat to the state of ecosystems (ESRS E4) and water and sanitation access from communities (ESRS S3). Those links may influence the preparers' approach to identifying interrelated Disclosure Requirements when performing the materiality assessment as per ESRS 2 IRO-1.

Answer

If a sustainability matter (i.e. topic, subtopic or sub-subtopic) listed in ESRS 1 paragraph AR 16 is assessed as being material, the general filtering process to determine the information to disclose can be described as follows:

- (a) for policies, actions and targets the undertaking shall include the information required by the corresponding Disclosure Requirements in topical standards and the information required by ESRS 2 Minimum Disclosure Requirements on policies, actions and targets in compliance with ESRS 1 paragraph 33; and
- (b) for metrics, the undertaking shall assess the materiality of information in compliance with ESRS 1 paragraph 31 and 34. Assessing the materiality of information helps determine which metrics (or which datapoints of metrics Disclosure Requirements) are material and as such should be disclosed. For example:
 - (i) if an environmental impact is assessed as being material, this does not automatically trigger the disclosure of the 'anticipated financial effect' (see the Disclosure Requirements ESRS E1-9, ESRS E2-6, ESRS E3-5, ESRS E4-6, ESRS E5-6); this is because the matter may not be financially material even if it is a material impact; and
 - (ii) if a Disclosure Requirement of metrics is structured to cover a list of

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specific datapoints, the undertaking may conclude that one or more of those datapoints are not material as not applicable given its specific facts and circumstances; and

- (c) the undertaking assesses the materiality of the information, i.e. determines the information to be reported on the material matters (ESRS 1 paragraph 31). This assessment requires the exercise of judgment.

To support the application of ESRS 1 paragraph 30, this explanation articulates the relationship between the sustainability matters described in ESRS 1 paragraph AR 16 and the Disclosure Requirements in the topical standards. In addition to disclosing information from topical ESRS, the undertaking shall also include entity-specific information when this is necessary (ESRS 1 paragraph 11).

This explanation includes a flowchart, narrative content and mapping tables.

The **mapping** is aimed at supporting undertakings in determining the Disclosure Requirements (including Application Requirements) related to a specific material sustainability matter in the corresponding topical ESRS as required in ESRS 1 paragraph 30.

The mapping tables cover the topical standards for environmental, social and governance topics. They do not include:

- (a) ESRS 1 *General Requirements*;
- (b) ESRS 2 *General Disclosures*, as ESRS 2 disclosures are to be disclosed irrespective of the outcome of the materiality assessment (ESRS 1 paragraph 29). By extension, it does not include the ESRS 2-related disclosures that are included in the topical standards (for example, ESRS S1 SBM-3), for which the treatment specified in ESRS 2 paragraph 2 is applicable.; and
- (c) the entity-specific (and sector-specific) matters whereby the undertaking shall add metrics if it concludes that 'an impact, risk or opportunity is not covered or not covered with sufficient granularity by an ESRS but is material due to specific facts and circumstances' (refer to ESRS 1 paragraph 11 and 30 (b)).

For **metrics**, which can be either quantitative or qualitative, there is no systematic 'one-to-one' relationship between a matter (as captured by ESRS 1 paragraph AR 16) and a topical Disclosure Requirement.

Some metric Disclosure Requirements are likely to be relevant when any of the related subtopics or sub-subtopics in a topical standard give rise to an impact, risk and/or opportunity that is assessed to be material. This is the case, for instance, for ESRS S1-6 and S1-7 characteristics of own workforce in cases where own workforce or any related subtopic or sub-subtopic is assessed to be material for the undertaking.

Some metric Disclosure Requirements are directly related to one specific subtopic or sub-subtopic. This is the case, for instance, for:

- (a) the subtopic *Management of relationships with suppliers including payment practices*, which is related to ESRS G1-6 *Payment practice*;
- (b) many sub-subtopics of ESRS S1, which are directly covered by specific Disclosure Requirements. For instance, the sub-subtopic *health and safety* is directly related to the Disclosure Requirement S1-14 *Health and safety*; and
- (c) the subtopic *Microplastics* for which the relevant metric is embedded in the broader Disclosure Requirement ESRS E2-4 *Pollution of air, water and soil*.

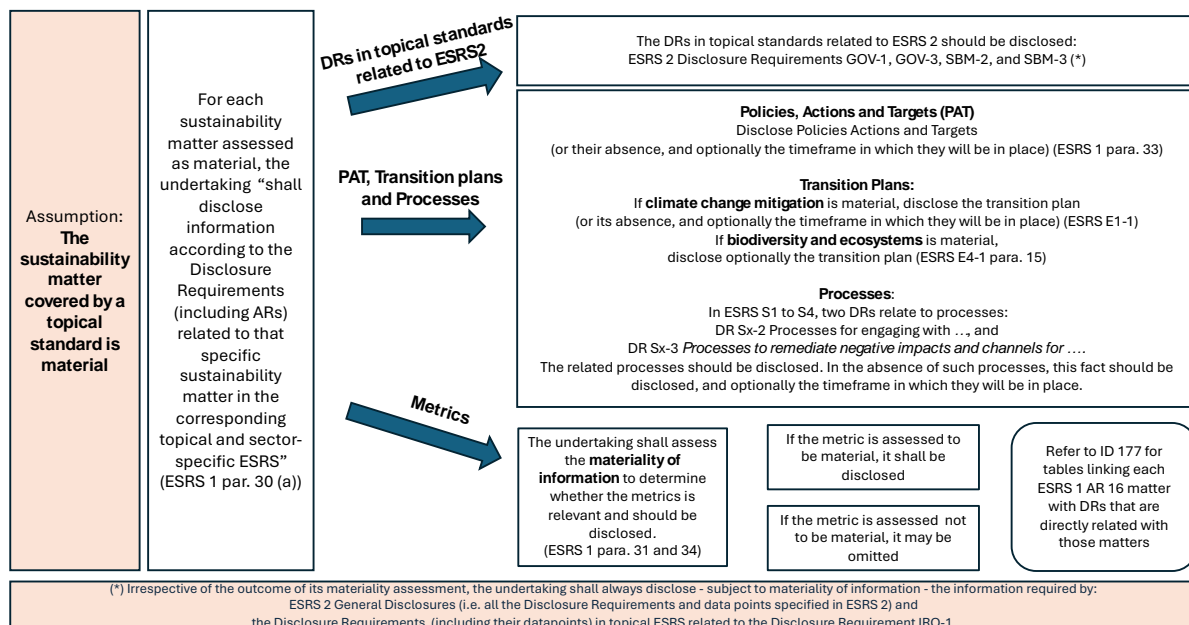
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The social standards ESRS S2 to S4 do not have standardised metrics beyond the Disclosure Requirements of policies, actions and targets (i.e. MDR-P, MDR-A, MDR-T).

The mapping in this document takes these differences of architecture of topical standards into account. It provides an overview of the direct links that exist between matters and Disclosure Requirements or datapoints where such direct links exist.

The mapping of ESRS 1 paragraph AR 16 to Disclosure Requirements does not link matters addressed in **datapoints** except in the case where subtopics or sub-subtopics are directly mentioned in a datapoint (and not in the title of the Disclosure Requirements). This is the case, for instance, for microplastics in ESRS E2, for water withdrawals and water discharges in ESRS E3 or for waste in ESRS E5.

Fig 1: Flowchart for determining the Disclosure Requirements once the material sustainability matters from ESRS 1 paragraph AR 16 have been identified



Mapping tables

The tables below map ESRS 1 paragraph AR 16 to the respective ESRS Disclosure Requirements. The mapping table does not cover information regarding where in the sustainability statement the information shall be disclosed.

The mapping is only to direct links from a subtopic in AR 16 to DRs in topical ESRS. It is to be noted that sustainability topics in ESRS 1 paragraph AR 16 are often interrelated. Based on the facts and circumstances of an undertaking, the materiality of a specific subtopic or sub-subtopic of a topical ESRS can trigger reporting requirements in other topical ESRS (please refer to the Disclaimer section of this explanation).

E1 Climate Change

The following can be noted:

- (a) since the subtopics of energy and climate change mitigation are closely linked, it is expected that for undertakings for which one of both is material, the other is material as well;

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- (b) E1-1 *Transition plan* relates to climate change mitigation;
- (c) Disclosure Requirements or datapoints regarding financial resilience relate primarily to climate change adaptation;
- (d) E1-7 *GHG removals and GHG mitigation projects financed through carbon credits* is not expected to be disclosed unless the undertaking uses such financing tools;
- (e) E1-8 *Internal carbon pricing* is expected to be disclosed only when the undertaking has implemented such mechanism; and
- (f) E1-9 *Anticipated financial effects* is not expected to be disclosed if the matter is assessed as material only due to its impacts (and not also due to its risks or opportunities).

AR 16		ESRS		Explanatory notes
Topic	Sub-topic	Disclosure Requirement		
ESRS E1 Climate change	Climate change mitigation	DR related to ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Performance related to GHG emission reduction targets
		E1-1	Transition plan for climate change mitigation	Transition plan relates to climate change mitigation
		DR related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material IROs, including resilience, in relation to climate change mitigation
		DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Description of the processes to identify and assess material climate change mitigation-related impacts (i.e. GHG emissions) and transition risks and opportunities
		E1-2	Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation
		E1-3	Actions and resources in relation to climate change policies	Actions and resources in relation to climate change mitigation policies
		E1-4	Targets related to climate change mitigation and adaptation	Specifically, GHG emission reduction targets
		E1-5	Energy consumption and mix	Energy consumption and mix, energy intensity
		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	
		E1-7	GHG removals and GHG mitigation projects financed through carbon credits	
		E1-8	Internal carbon pricing	
		E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Anticipated financial effects from material climate-related transition risks and potential climate-related opportunities (relates to financial materiality)
	Climate change adaptation	DR related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material climate-related impacts, risks and opportunities, resilience of strategy and business model in relation to climate change adaptation
		DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Process to identify climate-related physical and transition risks and opportunities, transition risks and opportunities where they relate to climate change adaptation

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Energy	E1-2	Policies related to climate change mitigation and adaptation	Policies related to climate change adaptation
	E1-3	Actions and resources in relation to climate change policies	Actions and resources in relation to climate change adaptation policies
	E1-4	Targets related to climate change mitigation and adaptation	Targets related to climate change adaptation
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Anticipated financial effects from material climate-related physical and transition risks and potential climate-related opportunities (relates to financial materiality) Transition risks and opportunities where they relate to climate change adaptation
	DR related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material climate-related IROs of strategy and business model if these IROs are based on energy-related events (availability of renewable energy, energy price fluctuations, new legislation, etc.)
	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Process to identify and assess material climate-related impacts and transition risks and opportunities if these IROs are based on energy-related events (availability of renewable energy, energy price fluctuations, new legislation, etc.)
	E1-2	Policies related to climate change mitigation and adaptation	Policies related to energy efficiency and renewable energy deployment
	E1-3	Actions and resources in relation to climate change policies	Actions and resources in relation to energy efficiency and renewable energy deployment
	E1-4	Targets related to climate change mitigation and adaptation	Targets related to energy, for example, efficiency or renewable energy deployment
	E1-5	Energy consumption and mix	Energy consumption and mix, energy intensity
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (relates to financial materiality)

E2 Pollution

AR 16		ESRS		Explanatory notes
Topic	Sub-topic	Disclosure Requirement		
ESRS E2 Pollution	Pollution of air, water and soil	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Description of the processes to identify and assess material IROs related to pollution of air, water or soil
		E2-1	Policies related to pollution	MDR-P: Policies related to pollution of air, water or soil E2-1 paragraph 15: (a) Disclosure of how policy addresses mitigating negative impacts related to pollution of air, water and soil
		E2-2	Actions and resources related to pollution	MDR-A: Actions related to pollution of air, water or soil E2-2 paragraph AR15: Information about action plans that have been implemented at site-level (pollution)
		E2-3	Targets related to pollution	MDR-T: Targets related to pollution of air, water or soil E2-3 paragraph 23(a)(b)(c): Disclosure of how target relates to prevention and control of air pollutants and

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			<p>respective specific loads, emissions to water and respective specific loads, pollution to soil and respective specific loads</p> <p>E2-3 paragraph AR 18: Information about targets that have been implemented at site-level (pollution)</p>
	E2-4	Pollution of air, water and soil	Amounts of pollutant emissions
	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Anticipated financial effects from material pollution-related risks and opportunities (relates to financial materiality)
Pollution of living organisms and food resources	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Description of the processes to identify and assess material impacts, risks and opportunities related to pollution of living organisms and food resources
	E2-1	Policies related to pollution	Policies related to pollution of living organisms and food resources
	E2-2	Actions and resources related to pollution	MDR-A: Actions related to pollution of living organisms and food resources E2-2 paragraph AR 15: Information about action plans that have been implemented at site-level (pollution)
	E2-3	Targets related to pollution	MDR-T: Targets related to pollution of living organisms and food resources E2-3 paragraph AR 18: Information about targets that have been implemented at site-level (pollution)
	N/A	Metrics	Undertakings shall consider disclosing entity-specific information where pollution of living organisms and food resources are assessed as material
	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Anticipated financial effects from material risks and opportunities related to pollution of living organisms and food resources (relates to financial materiality)
	Substances of concern Substances of very high concern	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities
E2-1		Policies related to pollution	MDR-P: Policies related to substances of concern (or very high concern) E2-1 paragraph 15(b): Disclosure of how policy addresses substituting and minimising use of substances of concern and phasing out of substances of very high concern
E2-2		Actions and resources related to pollution	MDR-A: Actions related to substances of concern E2-2 paragraph AR 15: Information about action plans that have been implemented at site-level (pollution)
E2-3		Targets related to pollution	MDR-T: Targets related to substances of concern (or very high concern) E2-3 paragraph 23(d): Disclosure of how target relates to prevention and control of substances of concern and substances of very high concern E2-3 paragraph AR 18: Information about targets that have been implemented at site-level (pollution)
E2-5		Substances of concern and substances of very high concern	Production, use, distribution, commercialisation and import/export of substances of concern and substances of very high concern
E2-6		Anticipated financial effects from pollution-related impacts, risks and opportunities	Anticipated financial effects from material risks and opportunities if those originate from substances of concern (or very high concern; relates to financial materiality)

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Microplastics	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Description of the processes to identify and assess material impacts, risks and opportunities related to microplastics
	E2-1	Policies related to pollution	Policies related to microplastics
	E2-2	Actions and resources related to pollution	MDR-A: Actions related to microplastics E2-2 paragraph AR 15: Information about action plans that have been implemented at site-level (pollution)
	E2-3	Targets related to pollution	MDR-T: Targets related to microplastics E2-3 paragraph AR 18: Information about targets that have been implemented at site-level (pollution)
	E2-4	Pollution of air, water and soil	Amounts of microplastics generated or used See datapoint: ESRS E2 paragraph 28(b)
	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Anticipated financial effects from material risks and opportunities if those originate from microplastics (relates to financial materiality)

E3 Water and Marine resources

AR 16		ESRS		Explanatory notes	
Topic	Sub-topic	Sub-subtopic	Disclosure Requirement		
ESRS E3 Water and marine resources	Water	Water consumption and/or	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Description of the processes to identify and assess material water-related impacts, risks and opportunities
		Water withdrawals and/or	E3-1	Policies related to water and marine resources	MDR-P: Policies related to water ESRS E3-1 paragraph 12(a): Disclosure of how policy addresses water management ESRS E3-1 paragraph 13: Disclosure of reasons for not having adopted policy in areas of high-water stress
		Water discharges	E3-2	Actions and resources related to water and marine resources	Actions and resources related to water
			E3-3	Targets related to water and marine resources	For targets related to water withdrawals and water discharges: see ESRS E3 AR 23 to AR 25 (optional datapoints)
		Water consumption	E3-4	Water consumption	For metrics on water consumption see paragraph AR 28 et seq.
		Water withdrawals	E3-4	Water consumption	For metrics on water withdrawals see paragraph AR 32 (optional datapoint)
		Water discharges	E3-4	Water consumption	For metrics on water discharges see paragraph AR 32 (optional datapoint) and definition of discharges in glossary
		Water consumption and/or Water withdrawals and/or Water discharges	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Anticipated financial effects from material water-related risks and opportunities (relates to financial materiality).

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Marine resources	Water discharges in the oceans	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Description of the processes to identify and assess material marine resources-related impacts, risks and opportunities
		E3-1	Policies related to water and marine resources	Policies related to marine resources
	and/or	E3-2	Actions and resources related to water and marine resources	Actions related to marine resources
	Extraction and use of marine resources	E3-3	Targets related to water and marine resources	Targets related to marine resources
		E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Anticipated financial effects from material marine resources-related risks and opportunities (relates to financial materiality)

E4 Biodiversity and ecosystems

AR 16		ESRS		Explanatory note
Topic	Sub-topic Sub-sub-topic	Disclosure Requirement		
ESRS E4 Biodiversity and ecosystems	Any sub-topics Any sub-sub-topics	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	
		DR related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
		DR related to ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	
		E4-2	Policies related to biodiversity and ecosystems	ESRS E4-2 paragraph 23(a): Disclosure of how policy relates to sustainability matters for biodiversity and ecosystems ESRS E4-2 paragraph AR 12: Disclosure of how policy refers to production, sourcing or consumption of raw materials ESRS E4-2 paragraph AR 16(d): Disclosure of how policy enables the mitigation of the contribution to material biodiversity loss drivers
		E4-3	Actions and resources related to biodiversity and ecosystems	
		E4-4	Targets related to biodiversity and ecosystems	ESRS E4-4 paragraph 32(c): Disclosure of how target relates to biodiversity and ecosystem impacts, dependencies, risks and opportunities identified in relation to own operations and upstream and downstream value chain ESRS E4-4 paragraph 32(d): Disclosure of geographical scope of target
		E4-5	Impact metrics related to biodiversity and ecosystems change	
		E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Anticipated financial effects from material biodiversity and ecosystems-related risks

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				and opportunities (relates to financial materiality)
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E5 Resource use and circular economy

AR 16		ESRS		Explanatory notes
Topic	Sub-topic	Disclosure Requirement		
ESRS E5 Resource use and circular economy	Resources inflows, including resource use	DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Process to identify and assess material resources inflows (including resource use), risks and opportunities
		E5-1	Policies related to resource use and circular economy	Policies related to resources inflows, including resource use
		E5-2	Actions and resources related to resource use and circular economy	<p>MDR-A: Actions and resources related to resources inflows (including resource use)</p> <p>ESRS E5-2 paragraph 20(a): Disclosure of how action covers higher levels of resource efficiency in use of technical and biological materials and water</p> <p>ESRS E5-2 paragraph 20(a): Disclosure of how resources cover higher levels of resource efficiency in use of technical and biological materials and water</p> <p>ESRS E5-2 paragraph 20(b): Disclosure of how action covers higher rates of use of secondary raw materials</p> <p>ESRS E5-2 paragraph 20(b): Disclosure of how resources cover higher rates of use of secondary raw materials</p> <p>ESRS E5-2 paragraph 20(c): Disclosure of how action covers application of circular design and higher rates of Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling</p> <p>ESRS E5-2 paragraph 20(c): Disclosure of how resources cover application of circular design and higher rates of Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling</p> <p>ESRS E5-2 paragraph 20(d): Disclosure of how action covers application of circular business practices</p> <p>ESRS E5-2 paragraph 20(d): Disclosure of how resources cover application of circular business practices</p>
		E5-3	Targets related to resource use and circular economy	<p>MDR-T: Targets related to resources inflows (including resource use)</p> <p>ESRS E5-3 paragraph 24: Disclosure of how target relates to resource inflows</p> <p>ESRS E5-3 paragraph 24(a): Disclosure of how target relates to increase of circular product design</p> <p>ESRS E5-3 paragraph 24(b): Disclosure of how target relates to increase of circular material use rate</p> <p>ESRS E5-3 paragraph 24(c): Disclosure of how target relates to minimisation of primary raw material</p> <p>ESRS E5-3 paragraph 24(d): Disclosure of how target relates to sustainable sourcing and use of renewable resources</p> <p>ESRS E5-3 paragraph 24(f): Disclosure of how target relates to other matters related to resource use or circular economy</p>
		E5-4	Resources inflows	

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		E1-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Anticipated financial effects from resources inflows (including resource use) related impacts, risks and opportunities (relates to financial materiality)
Resource outflows related to products and services		DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Process to identify and assess material resource outflows-related impacts, risks and opportunities
		E5-1	Policies related to resource use and circular economy	Policies related to resource outflows
		E5-2	Actions and resources related to resource use and circular economy	Actions and resources related to resource outflows
		E5-3	Targets related to resource use and circular economy	MDR-T: Targets related to resource outflows ESRS E5-3 paragraph 24: Disclosure of how target relates to resource outflows
		E5-5	Resources outflows	Products and services: paragraphs 34(b), 36 to 40
		E1-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Anticipated financial effects from resource outflows-related impacts, risks and opportunities (relates to financial materiality)
	Waste		DR related to ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
		E5-1	Policies related to resource use and circular economy	Policies related to waste
		E5-2	Actions and resources related to resource use and circular economy	MDR-A: Actions and resources related to waste ESRS E5-2 paragraph 20(e): Disclosure of how action covers actions taken to prevent waste generation in upstream and downstream value chain ESRS E5-2 paragraph 20(e): Disclosure of how resources cover actions taken to prevent waste generation in upstream and downstream value chain ESRS E5-2 paragraph 20(f): Disclosure of how action covers optimisation of waste management in line with waste hierarchy ESRS E5-2 paragraph 20(f): Disclosure of how resources cover optimisation of waste management in line with waste hierarchy
		E5-3	Targets related to resource use and circular economy	MDR-T: Targets related to waste ESRS E5-3 paragraph 24(e): Disclosure of how target relates to waste management
		E5-5	Resources outflows	Waste: paragraphs 34(a), 35,36, 40
		E1-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Anticipated financial effects from waste-related impacts, risks and opportunities (relates to financial materiality)

S1 to S4 Policies, Actions and Targets (PAT) and Processes

The table below maps ESRS paragraph AR 16 matters (topic, sub- and sub-subtopics) to ESRS S1 to S4 Disclosure requirements related to policies, actions and targets and processes.

AR 16		ESRS	Explanatory note
Topic	Sub-topic Sub-sub-topic	Disclosure Requirement	

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<p>ESRS S1 Own workforce ESRS S2 Workers in the value chain ESRS S3 Affected communities ESRS S4 Consumers and end- users</p>	<p>Any sub-topics Any sub-sub-topics</p>	<p>S1-1 S2-1 S3-1 S4-1</p>	<p>Policies related to own workforce / workers in the value chain/ affected communities / consumers and end-users</p>	<p>MDR-P: Policies and ESRS S3-1 paragraph 15: Description of policy provisions for preventing and addressing impacts on indigenous peoples ESRS S1-4 paragraph AR 11; ESRS S2-4 paragraph AR 13; ESRS S3-4 paragraph 18; ESRS S4-4 paragraph AR 10: If the policy does not take the form of a stand-alone policy but is included in a broader document such as code of ethics or general sustainability policy, disclosure of aspects of the broader document that satisfy requirements of disclosure of policies related to own workforce / value chain workers / affected communities / consumers and end-users ESRS S1-4 paragraph 20; ESRS S2-4 paragraph 17; ESRS S3-4 paragraph 16; ESRS S4-4 paragraph 16: Description of relevant human rights policy commitments</p>
		<p>S1-2 S2-2 S3-2 S4-2</p>	<p>Processes for engaging with own workforce / workers in the value chain/ affected communities / consumers and end users</p>	
		<p>S1-3 S2-3 S3-3 S4-3</p>	<p>Processes to remediate negative impacts and channels for own workforce / workers in the value chain/ affected communities / consumers and end users</p>	
		<p>S1-4 S2-4 S3-4 S4-4</p>	<p>Taking action on material impacts on own workforce / workers in the value chain/ affected communities / consumers and end users, and approaches to managing material risks and pursuing material opportunities related to own workforce / workers in the value chain/ affected communities / consumers and end users, and effectiveness of those actions</p>	<p>MDR-A: Actions and resources and ESRS S1-4 paragraph 38(a); ESRS S2-4 paragraph 32(a); ESRS S3-4 paragraph 32(a); ESRS S4-4 paragraph 31(a): Description of actions taken, planned or underway to prevent or mitigate (or remediate) material negative impacts on own workforce / value chain workers / affected communities ESRS S1-4 paragraph AR 40(b), ESRS S2-4 paragraph AR 36(b), ESRS S3-4 paragraph AR 34(b) ESRS S4-4 paragraph AR 33(b): Disclosure of intended or achieved positive outcomes of programmes or processes for people in own workforce / value chain workers / affected communities / consumers and end users ESRS S1-4 paragraph 35; ESRS S2-4 paragraph 30; ESRS S3-4 paragraph 30; ESRS S4-4 paragraph 28: Disclosure of how action is taken to address material negative and positive impacts and to manage material risks and pursue material opportunities related to own workforce / value chain workers / affected communities / consumers and end users, and effectiveness of those actions Disclosure of aspects of policy that satisfy requirements of disclosure of policies related to own</p>

Log of explanations

				workforce / value chain workers / affected communities / consumers and end users
		S1-5 S2-5 S3-5 S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<p>MDR-T: Targets</p> <p>and</p> <p>ESRS S1-5 paragraph 44; ESRS S2-5 paragraph 39; ESRS S3-5 paragraph 39; ESRS S4-5 paragraph 38:</p> <p>Disclosure of time-bound and outcome-oriented targets</p> <p>ESRS S1-5 paragraph 47; ESRS S2-5 paragraph 42; ESRS S3-5 paragraph 42; ESRS S4-5 paragraph 41:</p> <p>Disclosure of process for setting time-bound and outcome-oriented targets</p> <p>ESRS S2-5 paragraph 42(a); ESRS S3-5 paragraph 42(a); ESRS S4-5 paragraph 41(a): Disclosure of how value chain workers / affected communities / consumers and end users, their legitimate representatives or credible proxies were engaged directly in setting targets</p> <p>ESRS S1-5 paragraph AR 49(b); ESRS S2-5 paragraph AR 45(b); ESRS S3-5 paragraph AR 44(b); ESRS S4-5 paragraph AR 42(b): Disclosure of stability of target over time in terms of definitions and methodologies to enable comparability</p>

S1 Own workforce – Metrics

AR 16			ESRS		Explanatory notes
Topic	Sub-topic	Sub-sub-topic	Disclosure Requirement		
ESRS S1 Own workforce		Any sub-sub-topics	S1-6	Characteristics of the undertaking's employees	
			S1-7	Characteristics of non-employee workers in the undertaking's own workforce	
			S1-17	Incidents, complaints and severe human rights impacts	
	Working conditions	Secure employment	S1-11	Social protection	For issues other than social protection available in case of 'challenging life events' (e.g. access to health care, allowances, etc.) undertakings shall consider disclosing entity-specific information
		Working time	ESRS 1 paragraph 11		Undertakings shall consider disclosing entity specific information where working time is assessed as material

Log of explanations

		Adequate wages	S1-10	Adequate wages	
		Social dialogue	S1-8	Collective bargaining coverage and social dialogue	
		Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	S1-8	Collective bargaining coverage and social dialogue	
		Collective bargaining, including rate of workers covered by collective agreements	S1-8	Collective bargaining coverage and social dialogue	
		Work-life balance	S1-15	Work-life balance metrics	
		Health and safety	S1-14	Health and safety metrics	
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	S1-16	Remuneration metrics (pay gap and total remuneration)	
		Training and skills development	S1-13	Training and skills development metrics	
		Employment and inclusion of persons with disabilities	S1-12	Persons with disabilities	
		Measures against violence and harassment in the workplace	ESRS 1 para. 11		Undertakings shall consider disclosing entity-specific information where violence and harassment is assessed as material. Specific datapoint in S1-17.
		Diversity	S1-9	Diversity metrics	Note also interrelation with S1-12 and S1-16
		Child labour	ESRS 1 paragraph 11		Undertakings shall consider disclosing entity-specific information where child labour is assessed as material. It forms parts of S1-17 and specific datapoint in ESRS 1 SBM-3 SFDR datapoints.
	Forced labour	ESRS 1 paragraph 11		Undertakings shall consider disclosing entity-specific information where forced labour is	

Log of explanations

	Other work-related rights			assessed as material. It forms parts of S1-17 and specific datapoint in ESRS 1 SBM-3 SFDR datapoints.
		Adequate housing	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information where adequate housing is assessed as material
		Privacy	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information where adequate housing is assessed as material

S2 Workers in the value chain – Metrics

Where the preparer has assessed S2 topics or subtopics as material, the preparer is advised to consider the relevance of entity-specific metrics disclosure and/or future disclosure requirements embedded in sector standards to come.

AR 16			ESRS	Explanatory notes
Topic	Sub-topic	Sub-sub-topic	Disclosure Requirement	
	Working conditions	Secure employment	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Working time		
		Adequate wages		
		Social dialogue		
		Freedom of association, the existence of works councils and the information, consultation and participation rights of workers		
		Collective bargaining, including rate of workers covered by collective agreements		
		Work-life balance		
	Health and safety			
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Training and skills development		
Employment and inclusion of persons with disabilities				

Log of explanations

ESRS S2 Workers in the value chain		Measures against violence and harassment in the workplace	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Diversity		
	Other work-related rights	Child labour		
		Forced labour		
		Adequate housing		
		Water and sanitation		
		Privacy		

S3 Affected communities – Metrics

Where the preparer has assessed S3 topics or subtopics as material, the preparer is advised to consider the relevance of entity-specific metrics disclosure and/or future disclosure requirements embedded in sector standards to come.

AR 16			ESRS	Explanatory notes
Topic	Sub-topic	Sub-sub-topic	Disclosure Requirement	
ESRS S3 Affected communities	Communities' economic, social and cultural rights	Adequate housing	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Adequate food		
		Water and sanitation		
		Land-related impacts		
		Security-related impacts		
	Communities' civil and political rights	Freedom of expression	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Freedom of assembly		
		Impacts on human rights defenders		
	Rights of indigenous peoples	Free, prior and informed consent	ESRS 1 paragraph 11	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Self-determination		
		Cultural rights		

S4 Consumers and end users – Metrics

Where the preparer has assessed S4 topics or subtopics as material, the preparer is advised to consider the relevance of entity-specific metrics disclosure and/or future disclosure requirements embedded in sector standards to come.

Log of explanations

AR16			ESRS		Explanatory notes
Topic	Sub-topic	Sub-sub-topic	Disclosure Requirement		
ESRS S4 Consumers and end users	Information-related impacts for consumers and/or end-users	Privacy	ESRS 1 paragraph 11		Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Freedom of expression			
		Access to (quality) information			
	Personal safety of consumers and/or end users	Health and safety	ESRS 1 paragraph 11		Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Security of a person			
		Protection of children			
	Social inclusion of consumers and/or end users	Non-discrimination	ESRS 1 paragraph 11		Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material
		Access to products and services			
		Responsible marketing practices			

G1 Business conduct

AR 16			ESRS		Explanatory notes
Topic	Sub-topic	Sub-sub-topic	Disclosure Requirement		
ESRS G1 Business conduct	Corporate culture		G1-1	Business conduct policies and corporate culture	ESRS G1 paragraph 9: Disclosure of how corporate culture is established, developed, promoted and evaluated
	Business conduct		G1-1	Business conduct policies and corporate culture	ESRS G1 paragraph 7: Policies with respect to business conduct. ESRS G1 paragraph 10(a): mechanisms to identify, report and investigate unlawful behaviour or contradicting code of conduct or similar. ESRS G1 paragraph 10(e): whether procedures to investigate business conduct incidents including corruption and bribery ESRS G1 paragraph 10(g): policy for training
	Protection of whistleblowers		G1-1	Business conduct policies and corporate culture	ESRS G1 paragraph 10(c): Disclosure of how whistleblowers are protected (d) if no policy, it shall state this and provide plans for reimplementation. But note paragraph 11 under transposed Directive.
	Animal welfare		G1-1	Business conduct policies and corporate culture	ESRS G1 paragraph 10(f): Policies related to animal welfare

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			ESRS 1 paragraph 11		Undertakings shall consider disclosing entity-specific information / metrics where animal welfare is assessed as material
Political engagement			G1-1	Business conduct policies and corporate culture	Policies related to political engagement, including lobbying
			G1-5	Political influence and lobbying activities	ESRS G1 paragraph 27: Disclosure of activities and commitments related to exerting political influence, including lobbying activities related to material impacts, risks and opportunities ESRS G1 paragraph 29(a): representative(s) in AMSB responsible for oversight.
			G1-5	Political influence	ESRS G1 paragraph 29(b): total monetary value of political contributions and, if relevant, how it was estimated. ESRS G1 paragraph 30: appointment of members of AMSB in current year who held comparable position in public administration (including regulators) in previous year.
			G1-5	Lobbying activities	ESRS G1 paragraph 29(c): main topics covered by its lobbying activities and its positions as well as linkage to its materiality assessment. ESRS G1 paragraph 29(d): its registration number if registered in the EU Transparency Register or similar.
Management of relationships with suppliers including payment practices			G1-1	Business conduct policies and corporate culture	ESRS G1 paragraph 15(a): Information about approach to relationships with suppliers
			G1-2	Management of relationships with suppliers	ESRS G1 paragraph 14: Description of policy to prevent late payments ESRS G1 paragraph 15(b): Disclosure of how social and environmental criteria are taken into account for selection of suppliers
			G1-6	Payment practices	ESRS G1 paragraph 33(a): average time to pay an invoice b) description of standard payment terms and alignment with these c) number of outstanding legal proceedings for late payments, and d) sufficient context of the above.
Corruption and bribery	Prevention and detection including training and /or Incidents		G1-1	Business conduct policies and corporate culture	ESRS G1 paragraph 10(b): Policies related to corruption and bribery and, if no policies are consistent with UNCAC, the undertaking is to state this and whether it has plans to implement and a timetable. ESRS G1 paragraph 10(h): functions most at risk in respect of corruption and bribery.
			G1-3	Prevention and detection of corruption and bribery	ESRS G1 paragraph 16: information about its system to prevent and detect, investigate and respond to allegations or incidents relating to corruption and bribery, including training. Details in paragraphs 18 to 21.

Log of explanations

			G1-4	Confirmed incidents of corruption or bribery	ESRS G1 paragraph 24(a): number of convictions and amount of fines; b) actions taken to address breaches in procedures. Voluntary disclosures in paragraph 25.
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