EFRAG ESRS Q&A Platform

CROSS-CUTTING

MAPPING OF SUSTAINABILITY MATTERS TO TOPICAL DISCLOSURES (Q&A ID 177)

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Explanation – ID 177 –

Mapping sustainability matters with disclosure requirements

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ESRS 2 General disclosures

ESRS 2 General disclosures

Questions related to all Disclosure Requirements

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

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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; Disclosure Requirements

ESRS reference

ESRS 1 paragraphs 25, 30, and AR 16

Background

ESRS 1 paragraph 25 states: 'Performing a materiality assessment (see sections 3.4 Impact materiality and 3.5 Financial materiality) is necessary for the undertaking to identify the material impacts, risk and opportunities to be reported.'

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 (containing a 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 on how to use this mapping

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. 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. This is also to say that topics, subtopic or sub-subtopics shall be assessed as not material when no material impacts, risks or opportunities are identified within them.

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 an 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 metric is not material to itself despite it pertaining to a material matter. Conversely, some metrics may be related to more than one subtopic. 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 given that a material impact, risk or opportunity has been identified for that matter, the general 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 as well as the information required by ESRS 2 Minimum Disclosure Requirements on policies, actions and targets in compliance with ESRS 1 paragraph 33;

(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. if a Disclosure Requirement contains a number of metrics datapoints, the undertaking may conclude that one or more of those datapoints are not material given its specific facts and circumstances (for example ESRS E2 Disclosure Requirement E2-4 - *Pollution of air, water and soil that contain a number of datapoints)*.

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 the associated Application Requirements for such disclosures; refer to EFRAG's IG3, 'List of ESRS datapoints for a detailed mapping') 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. 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, they do not include the ESRS 2 IRO-1related disclosures that are included in the topical standards (refer to the environmental topics), for which the treatment specified in ESRS 2 paragraph 2 is applicable.; or

(c) 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 metrics provide information that support the understanding of any of the related subtopics or sub-subtopics in a topical standard. This is the case, for instance, for ESRS S1-6 and S1-7 on the characteristics of own workforce or S1-17 on incidents, complaints and severe human rights impacts where own workforce or any related subtopic or sub-subtopic is assessed to be material for the undertaking.

Some metrics 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

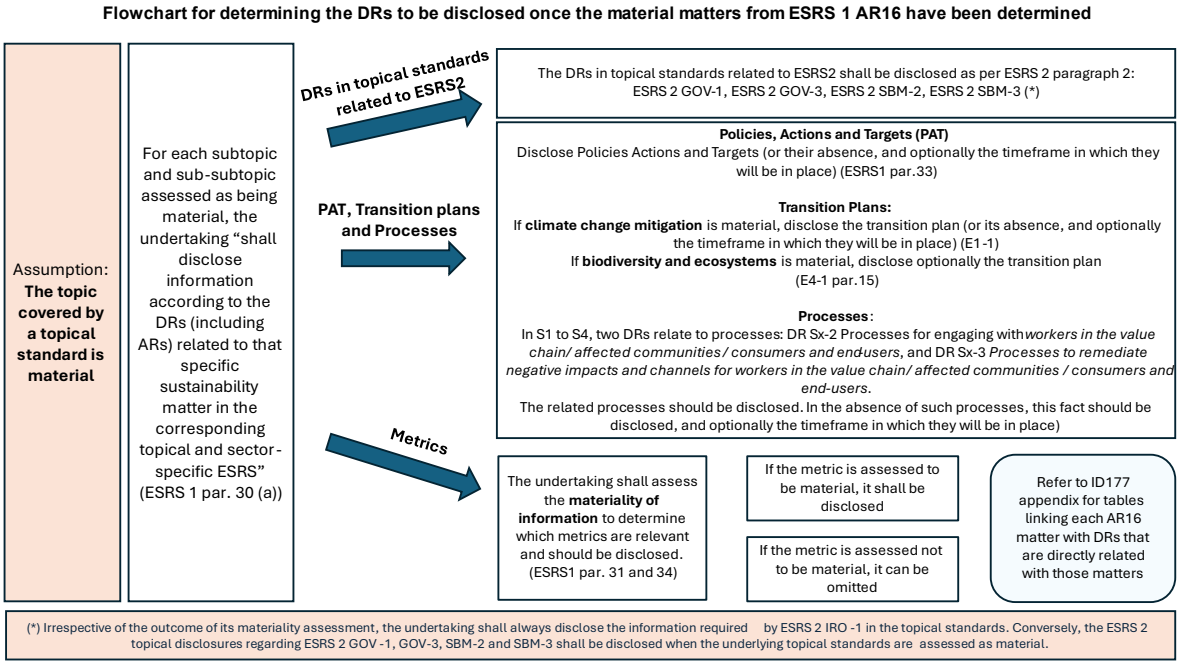
(c) the subtopic *Microplastics* for which the relevant metric is embedded in the broader Disclosure Requirement ESRS E2-4 *Pollution of air, water and soil*.

The social standards ESRS S2 to S4 do not have standardised metrics beyond the Disclosure Requirements of policies, actions and targets nor do the corresponding provisions in ESRS 2 MDR-P, MDR-A, or 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 AR16 have been identified (to note: this flowchart does not cover entity-specific metrics disclosures)



Mapping tables

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

The mapping is only meant to direct links from a subtopic in AR 16 to DRs in topical ESRS. It is to be noted that sustainability matters 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).

In this Section, we illustrate the disclosure requirement that are connected to a specific matter/topic, i.e. that have to be considered in the assessment performed under paragraph 34 of ESRS 1 when a given matter/topic is material, in order to ultimately determine which datapoints are reported.

E1 Climate Change

The following can be noted:

(a) The subtopics of energy and climate change mitigation are closely linked. The datapoints in the Disclosure Requirement E5-1 *Energy Consumption and mix* cover aspects (energy use) linked to climate change mitigation; therefore they are connected to climate change mitigation

(b) E1-1 *Transition plan* is connected to climate change mitigation

(c) Disclosure Requirements or datapoints regarding financial resilience (ESRS paragraphs to be included) are connected to both climate change mitigation and 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.

AR 16		**ESRS**		**Explanatory notes**
Topic	**Subtopic**	**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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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

		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
	Energy	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	**Subtopic**	**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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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

				respective specific loads, emissions to water and respective specific loads, pollution to soil and respective specific loads 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 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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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. The provisions of ESRS2 MDR-M apply.
		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	Description of the processes to identify and assess material impacts, risks and opportunities related to substances of concern To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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)
	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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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	**Subtopic**	**Sub-subtopic**	**Disclosure Requirement**		
ESRS E3 Water and marine resources	Water	Water consumption and/or water withdrawals and/or water discharges	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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
			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
			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 and water risk areas 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).
	Marine resources	Water discharges in the oceans and/or Extraction and use of marine resources	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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
			E3-1	Policies related to water and marine resources	Policies related to marine resources
			E3-2	Actions and resources related to water and marine resources	Actions related to 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

The table below for ESRS E4 has not been split by sub-topic and sub-sub-topic given the approach of the disclosures of this Standard. The metrics are not specific to a sub-topic or sub-sub-topic and apply to any material sub-topic or sub-sub-topic identified.

AR 16		**ESRS**		**Explanatory note**
Topic	**Subtopic** **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	To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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 as well as 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	ESRS E4-5, paragraph 33: the undertaking shall report metrics related to its material impacts on *biodiversity* and *ecosystems.* The undertaking shall report relevant metrics for ***land-use change***, ***freshwater***-use change and/or sea-use change. The undertaking may choose which metric to disclose by selecting from a range of different metrics described in paragraph 38 of ESRS E4. The undertaking may report metrics related to the sustainability matters 'invasive alien species', 'impacts on the state of species' and 'impacts on the extent and conditions of ecosystems'.
		E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Anticipated financial effects from material biodiversity and ecosystems-related risks and opportunities (relates to financial materiality)

E5 Resource use and circular economy

AR 16		ESRS		Explanatory notes
Topic	**Subtopic**	**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 To note: ESRS 2 IRO-1 related DR is mandatory / not subject to materiality assessment
		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	MDR-A: Actions and resources related to resources inflows (including resource use) 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 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 ESRS E5-2 paragraph 20(b): Disclosure of how action covers higher rates of use of secondary raw materials ESRS E5-2 paragraph 20(b): Disclosure of how resources cover higher rates of use of secondary raw materials 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 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

				ESRS E5-2 paragraph 20(d): Disclosure of how action covers application of circular business practices ESRS E5-2 paragraph 20(d): Disclosure of how resources cover application of circular business practices
		E5-3	Targets related to resource use and circular economy	MDR-T: Targets related to resources inflows (including resource use) ESRS E5-3 paragraph 24: Disclosure of how target relates to resource inflows ESRS E5-3 paragraph 24(a): Disclosure of how target relates to increase of circular product design ESRS E5-3 paragraph 24(b): Disclosure of how target relates to increase of circular material use rate ESRS E5-3 paragraph 24(c): Disclosure of how target relates to minimisation of primary raw material ESRS E5-3 paragraph 24(d): Disclosure of how target relates to sustainable sourcing and use of renewable resources ESRS E5-3 paragraph 24(f): Disclosure of how target relates to other matters related to resource use or circular economy
		E5-4	Resources inflows	
		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
		E5-6	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	Process to identify and assess material waste-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.

S1 Own workforce

The topic covers fundamental rights that are classified as sub-subtopics in ESRS S1 and ESRS S2 which are interconnected. Such connections are not explicit in the ESRS S1 and are presented in the table below. When mapping the disclosures to report, the sub-subtopics and/or metrics related to fundamental rights should be considered when determining what to disclose if the topic own workforce is considered material (refer to the table below), as they cover different aspects of the matter own workforce, and as such, they all relate to own workforce as a topic.

In addition, the metrics on S1-6, S1-7 and S1-17 are mapped to the own workforce directly. In the case of S1-6 and S1-7, these provide contextual information that supports the understanding of the information reported in the other ESRS S1 disclosures, and they form the basis for calculation of other metrics, as noted in the objective of the two disclosures.

AR 16		**ESRS**		**Explanatory note**
Topic	**Sub-topic** **Sub-sub-topic**	**Disclosure Requirement**		
ESRS S1 Own workforce ESRS S2 Workers in the value chain ESRS S3 Affected communities ESRS S4 Consumers and end- users	Any sub-topics Any sub-sub-topics	S1-1 S2-1 S3-1 S4-1	Policies related to own workforce / workers in the value chain/ affected communities / consumers and end-users	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
		S1-2 S2-2 S3-2 S4-2	Processes for engaging with own workforce / workers in the value chain/ affected communities / consumers and end users	
		S1-3 S2-3 S3-3 S4-3	Processes to remediate negative impacts and channels for own workforce / workers in the value chain/ affected communities / consumers and end users	
		S1-4 S2-4 S3-4 S4-4	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	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 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	MDR-T: Targets and ESRS S1-5 paragraph 44; ESRS S2-5 paragraph 39; ESRS S3-5 paragraph 39; ESRS S4-5 paragraph 38: Disclosure of time-bound and outcome-oriented targets ESRS S1-5 paragraph 47; ESRS S2-5 paragraph 42; ESRS S3-5 paragraph 42; ESRS S4-5 paragraph 41: Disclosure of process for setting time-bound and outcome-oriented targets 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 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

S1 Own workforce – Metrics

The topic covers fundamental rights that are classified as sub-sub-topics in ESRS S1 and ESRS S2 which are interconnected. Such connections are not explicit in the ESRS S1 standard and have been included in the table below. In other words, when mapping the disclosures to report, the sub-sub-topics and/or metrics related to fundamental rights should be considered for materiality assessment when the topic Own Workforce is considered material (refer to the table below), as they cover different aspects of the matter own workforce and as such, they all relate to own workforce as a topic.

In addition, the metrics on S1-6, S1-7 and S1-17 are mapped to the Own Workforce directly. In the case of S1-6 and S1-7, these provide contextual information that supports the understanding of the information reported in the other ESRS S1 disclosures and these form the basis for calculation of other metrics as noted in the objective of the two disclosures.

AR 16			**ESRS**		**Explanatory notes**
Topic	**Subtopic**	**Sub-subtopic**	**Disclosure Requirement**		
ESRS S1 Own workforce	Any subtopic	Any sub-subtopics	S1-6	Characteristics of the undertaking's employees	These metrics are mapped to ESRS S1 as a whole (i.e. all connected to the topic own workforce) or to any subtopic/sub-subtopic. They are to be considered when defining what to report in relation to any subtopic/sub-subtopic.
			S1-7	Characteristics of non-employee workers in the undertaking's own workforce	
			S1-17	Incidents, complaints and severe human rights impacts	
	When own workforce is assessed as material as a whole		S1-8 S1-9 S1-10 S1-11 S1-12 S1-14	Freedom of association and collective bargaining (including social dialogue), adequate wages, social	These are the subtopics that address the fundamental rights and the associated metrics. Each of them covers an aspect of the topic own workforce. They are all related to the topic of ESRS S1 own workforce as a whole.

				protection, health and safety and diversity	
	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
		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	S1-17	Incidents, complaints and severe human rights impacts	Undertakings shall consider disclosing entity-specific information where violence and harassment is assessed as material. The provisions of ESRS 2 MDR-M apply.
		Diversity	S1-9	Diversity metrics	Note also interrelation with S1-12 and S1-16
	Other work-related rights	Child labour	Metrics		Undertakings shall consider disclosing entity-specific information where child labour is assessed as material. The provisions of ESRS 2 MDR-M apply.
		Forced labour	Metrics		Undertakings shall consider disclosing entity-specific information where forced labour is assessed as material. The provisions of ESRS 2 MDR-M apply.
		Adequate housing	Metrics		Undertakings shall consider disclosing entity-specific information where adequate housing is assessed as material. The provisions of ESRS 2 MDR-M apply.
		Privacy	Metrics		Undertakings shall consider disclosing entity-specific information where adequate housing is assessed as material. The provisions of ESRS 2 MDR-M apply.

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	**Subtopic**	**Sub-subtopic**	**Disclosure Requirement**	
	Working conditions	Secure employment	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		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		

ESRS S2 Workers in the value chain		Health and safety		
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		Training and skills development		
		Employment and inclusion of persons with disabilities		
		Measures against violence and harassment in the workplace		
		Diversity		
	Other work-related rights	Child labour	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		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	**Subtopic**	**Sub-subtopic**	**Disclosure Requirement**	
	Communities' economic, social and cultural rights	Adequate housing	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		Adequate food		
		Water and sanitation		
		Land-related impacts		
		Security-related impacts		
	Communities' civil and political rights	Freedom of expression	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		Freedom of assembly		
		Impacts on human rights defenders		

ESRS S3 Affected communities	Rights of indigenous peoples	Free, prior and informed consent	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		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.

AR16			ESRS	Explanatory notes
Topic	**Subtopic**	**Sub-subtopic**	**Disclosure Requirement**	
ESRS S4 Consumers and end users	Information-related impacts for consumers and/or end-users	Privacy	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		Freedom of expression		
		Access to (quality) information		
	Personal safety of consumers and/or end users	Health and safety	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		Security of a person		
		Protection of children		
	Social inclusion of consumers and/or end users	Non-discrimination	Metrics	Undertakings shall consider disclosing entity-specific information for each subtopic or sub-subtopic assessed as material. The provisions of ESRS 2 MDR-M apply.
		Access to products and services		
		Responsible marketing practices		

G1 Business conduct

AR 16			ESRS		Explanatory notes
Topic	**Subtopic**	**Sub-subtopic**	**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 whistle-blowers		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
				Metrics	Undertakings shall consider disclosing entity-specific information / metrics where animal welfare is assessed as material. The provisions of ESRS 2 MDR-M apply.
	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.
			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.