



EFRAG Sustainability Reporting Board

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Belgium

20 June 2022

Dear members of the Sustainability Reporting Board,

Congratulations on reaching the important milestone of publishing for public consultation the first set of Draft European Sustainability Reporting Standards. GRI applauds the work of EFRAG to date on the ESRS and is impressed by the progress made by the volunteers in the PTF-ESRS.

The European Commission has been very clear in its ambition to develop a non-financial reporting regime which has the inherent potential to become part of a global system for corporate sustainability reporting based on the principle of double materiality. GRI strongly supports this ambition. A globally aligned reporting system will unlock the value of the information by facilitating comparability and analysis. It acknowledges the fact that business and trade are by definition global in nature, while it also minimizes the reporting burden for MNEs as well as the SMEs in their value chains. And, finally, globally applicable standards recognize the reality that companies and their value chains impact a global set of stakeholders.

Over the past year we have really appreciated the opportunity to contribute to a European solution for sustainability reporting standards, as envisaged by the Commission, while striving for optimal alignment with our global standards. Working this closely with EFRAG and the PTF has been a pleasure and has proven the potential power of collaboration. The experience has also strengthened our commitment to remain engaged with EFRAG post PTF.

In the spirit of collaboration and due process, we are publicly laying out in this document the mapping of the ESRS against the GRI Standards making it easier for reporters to understand how the ESRS relate to their current reporting efforts, building on the feedback we have been providing to the PTF as co-construction partner. Furthermore, we have included detailed technical responses to each of the exposure drafts to help further deepen the compatibility.

We really appreciated the opportunity given through the public consultation process to continue to provide input. GRI remains committed to the process and is looking forward to engaging with EFRAG on further strengthening the alignment between the ESRS and the GRI Standards during the next phase of the development of the ESRS to help ensure qualitative standards that meet European needs and are aligned with global standards.

A handwritten signature in black ink, appearing to read 'Eelco van der Enden', written over a light blue horizontal line.

Eelco van der Enden
CEO, Global Reporting Initiative

A handwritten signature in black ink, appearing to read 'Judy Kuszewski', written over a light blue horizontal line.

Judy Kuszewski
Chair, Global Sustainability Standards Board

GRI's technical position on the draft European Sustainability Reporting Standards

GRI is pleased to provide its technical opinion on the draft European Sustainability Reporting Standards (ESRS) published by EFRAG for public consultation.

First of all, GRI welcomes the work done so far to align the draft ESRS with the GRI Standards. Many of the disclosure requirements in the draft ESRS are fully or very closely aligned with the GRI Standards, which means that thousands of EU companies already using the GRI Standards will be able to comply with the requirements of the ESRS more easily. However, there is still significant room for greater alignment and convergence with GRI and international instruments, as well as for improving the technical quality, feasibility, and usability of the draft ESRS.

In this paper, GRI presents its high-level observations, followed by a detailed mapping of the draft ESRS against the GRI Standards and feedback on each of the standards and disclosure requirements.

Double materiality

GRI fully supports the use of double materiality in the draft ESRS and welcomes the recognition that the starting point for double materiality should be the assessment of impact materiality, as a sustainability impact may become financially material when it translates or is likely to translate into financial effects in the short-, medium-, or long-term.

GRI also welcomes that the definition of impact materiality in the draft ESRS is aligned with the definition in the GRI Standards in its intent. GRI proposes aligning this definition more closely with the language used by GRI, which is clear and precise. The GRI Standards are the most widely used standards globally for impact materiality, and closer alignment will also help reduce confusion and help achieve consistency in reporting impacts at the global level.

Since the GRI Standards focus on impact materiality, the mapping and feedback included in this paper only compare the impact materiality elements of the draft ESRS.

When it comes to financial materiality, GRI strongly recommends aligning this definition with the approach of the International Sustainability Standards Board (ISSB), which focuses on 'enterprise value', rather than on general 'value creation' and 'capitals'. This alignment will also help drive the consistent application of financial materiality globally.

GRI disagrees that all mandatory disclosure requirements established by the ESRS shall be presumed to be material and recommends reviewing this approach against existing proven approaches, such as GRI's. Such an approach risks undermining organizations' own materiality assessments, considerably increases the reporting burden, and has the potential to give rise to obstruction of information. GRI recommends that such a presumption only applies to those sustainability matters identified as likely material for organizations in a sector, as that provides a solid basis against which to judge organizations' materiality assessments.

Alignment with GRI Standards

While GRI welcomes the work done so far to align the draft ESRS with the GRI Standards, there is room for greater alignment and convergence. In this submission, we have made a significant number of recommendations to further align the draft ESRS with the GRI Standards on the level of concepts, disclosures, guidance, and definitions. Enhanced alignment will not only reduce reporting burden but will also help reduce confusion among reporters and achieve consistency in sustainability reporting at a global level.

GRI also urges EFRAG to make clear references to the GRI Standards within the ESRS whenever concepts, disclosures, guidance, and definitions have been borrowed from GRI. This reference will

signal to practitioners which GRI contents they already use have been adopted in the ESRS, thereby facilitating their implementation.

Alignment with authoritative intergovernmental instruments

GRI welcomes the alignment with key authoritative intergovernmental instruments on responsible business conduct, human rights, and due diligence, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and due diligence guidance – which is in line with the requirements for the development of sustainability reporting standards in the proposal for the Corporate Sustainability Reporting Directive (CSRD).

There is still, however, room for greater alignment and convergence. In this submission, GRI has identified opportunities to further align key concepts, definitions, and disclosure requirements with these instruments. Importantly, in some cases, the draft ESRS have redefined key concepts like due diligence and inadvertently narrowed the scope of these concepts, which can hamper the advancement of these practices globally. GRI notes that the text of the CSRD proposal is also not fully aligned with these instruments and would therefore urge the European Commission (EC) to increase the alignment.

GRI reviewed its standards in 2021 to bring them more closely in line with the expectations and concepts in these authoritative instruments, which included the involvement of the UN and OECD. The GRI Standards are the first and only global reporting standards aligned with the expectation of due diligence as defined by the UN and OECD. GRI, therefore, recommends EFRAG to leverage this work for their standards.

Level of detail and granularity

GRI is concerned with the level of detail and granularity of the draft ESRS. Notably, the draft ESRS have borrowed many of the recommended and optional reporting included in the GRI Standards and made them mandatory requirements to be complied with. Furthermore, the draft ESRS often expand beyond the scope of the GRI Standards by mandating concepts and adopting terminology that is not widely adopted.

Such a level of detail and granularity means that even the most experienced reporters with sophisticated reporting and data collection systems will struggle to comply with all the requirements stipulated by the draft ESRS. It will also considerably increase the cost of reporting.

This issue is compounded by the ambitious timeline proposed by the EC, which leaves insufficient time for organizations to put the necessary reporting and data collection systems in place and because information cannot be omitted in legitimate cases. For example, when data is unavailable or incomplete, the application of the ESRS becomes unrealistic and impractical.

In addition, GRI is concerned that the level of detail and granularity requested will likely lead to less focused reporting and less decision-useful information for investors and other stakeholders.

GRI strongly advises EFRAG to review some of the detailed requirements and consider making them reporting recommendations or guidance, in line with GRI. In particular, the detailed requirements in the application guidance for all draft ESRS and those within topical standards for reporting on General, Strategy, Governance and Materiality Assessment, and on Policies, targets, action plans and resources, which in combination with the requirements in the cross-cutting standard add significantly to the reporting burden.

GRI also proposes that all requirements be presented together in the main body of the ESRS and that the application guidance be limited to providing explanations, reporting recommendations, and guidance. This will help reduce the existing duplication and inconsistencies between the main body of the ESRS and the application guidance and ease organizations' use of the ESRS.

GRI also recommends allowing for some of the mandated requirements to be omitted in legitimate cases. The fact that data for own operations cannot be omitted for any of the requirements is impractical and not in tune with the real challenges of collecting such data. In addition, asking organizations to approximate missing information in cases where data is unavailable for the upstream and downstream value chain goes against the objective of faithful representation. GRI believes it is not good practice to encourage organizations to approximate data they do not understand.

GRI proposes allowing for data to be omitted in legitimate cases for a sub-set of the disclosure requirements – in line with the approach in the GRI Standards. Legitimate reasons include when the required information is unavailable or incomplete, not applicable, confidential, or subject to legal prohibitions – particularly for organizations that are required to report under different jurisdictions of the world in addition to the EU.

Finally, GRI also recommends providing organizations with sufficient time to implement the ESRS following their release in all relevant EU languages.

Suitability of requirements for reporting on impact

While GRI is concerned that the level of detail and granularity requested in the draft ESRS is likely to lead to less focused reporting and less decision-useful information on the one hand, on the other hand, the draft ESRS fall short of requiring relevant information in order to understand organizations' impacts on the economy, environment, and people.

For example, information on total water withdrawal, discharge, and consumption alone is unlikely to be of use to understanding an organization's impacts on the environment and people. Additional information is needed to understand the impact this water use has in sensitive locations and on the availability of freshwater for use by ecosystems and local communities.

In addition, the topical standards contain a number of disclosure requirements from the GRI Universal Standards – the standards that apply to all organizations using the GRI Standards. These disclosures (which cover, for example, information on an organization's employees and other workers and its governance) are essential to give insight into the reporting organization's profile and scale, and provide a context for understanding the organization's impacts. Materiality judgments should not apply to these disclosures as currently proposed. GRI strongly recommends that these disclosure requirements be moved from the topical to the cross-cutting standards.

In this submission, we have identified these disclosures.

Architecture of ESRS

GRI welcomes the overall proposed architecture of cross-cutting, topical, and sector standards, which is in line with GRI's approach. GRI also welcomes the inclusion of additional topics not yet covered in the GRI Standards, such as working hours, work stoppages or beneficial ownership, which GRI will consider in its future review and development of its standards.

GRI is, however, concerned with the complex internal structure of the draft ESRS and the duplication of content existing between the cross-cutting and the topical standards when it comes to reporting on General, Strategy, Governance and Materiality Assessment, and Policies, targets, action plans and resources. There is also unnecessary duplication across the topical standards, in particular, the social standards.

GRI strongly recommends that all generic requirements for reporting on General, Strategy, Governance and Materiality Assessment and on Policies, targets, action plans and resources be consolidated in the cross-cutting standards. This should help reduce the unnecessary duplication and complexity introduced by the current structure.

In addition, the social and governance standards combine a large number of diverse topics into each standard. This approach creates large and complex standards which are not consistent with existing practice nor with the more streamlined approach applied to the environmental standards. GRI recommends splitting these standards into several ones each covering a single topic (e.g., occupational health and safety, child labor, anti-corruption).

Mapping of ESRS and GRI Standards & GRI feedback

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Notes

This mapping focuses on comparing the key concepts and the requirements ('shall' statements) within Disclosure Requirements included in the ESRS against the GRI Standards. The mapping does not cover reporting recommendations or guidance ('should', 'may', 'can' statements) included in the ESRS. The mapping does not cover either the Application Guidance (AG) for 'General, Strategy, Governance and Materiality assessment' included in the ESRS topical standards.

The GRI Standards focus on impact materiality. Where a Disclosure Requirement in the ESRS covers information relevant to both impact and financial materiality, this mapping focuses on comparing only the impact materiality elements of that disclosure.

The sections 'Additions in ESRS are' list requirements included in the ESRS for a specific disclosure which are not covered in the GRI Standards.

The sections 'Additions in GRI are' list requirements included in the GRI Standards for a specific disclosure which are not covered in the ESRS.

'Not covered' means that an entire ESRS Disclosure Requirement covers information relevant to impact materiality, but this information is not yet covered in the GRI Standards.

'Not applicable' means that an entire ESRS Disclosure Requirement covers information relevant to financial materiality only, which does not apply to the GRI Standards, or refers to concepts that are not applicable in the context of the GRI Standards (such as the subsidiary exemption).

Cross-cutting standards

GRI's general feedback on the cross-cutting standards:

Greater clarity is needed around the relationship between key concepts like materiality, relevance, significance, matters, topics, sub-topics, sub-sub-topics, and impacts/risks/opportunities. The proposed structure is complex and many of these terms are used interchangeably despite each having their own distinct meaning and definition. GRI proposes simplifying this complex structure by aligning with existing practice.

Based on GRI's experience, a simple structure of topics and impacts suffices, where impacts are the effects organizations have on the economy, environment, and people, and where topics are a way for organizations to report cohesively about multiple impacts that relate to the same topic.

We also propose that the materiality assessment is performed at the topic level (e.g., climate change, occupational health and safety), rather than at the level of individual impacts or disclosure requirements, and that the assessment of significance (based on e.g., severity, likelihood) is applied at the impact level in line with authoritative intergovernmental instruments. The criteria of significance of an impact is what renders a topic as material for reporting.

GRI also proposes including clear standalone step-by-step guidance on how to perform a materiality assessment, to provide greater clarity around these concepts and how to apply them in practice. Without clear process guidance, it will be difficult for organizations to comply with the draft ESRS and lead to inconsistent application. With regards to impact materiality, process guidance is already included in the GRI Standards (*GRI 3: Material Topics 2021*) and can be used as the basis for this.

GRI proposes creating a new cross-cutting standard – ESRS 3 – which would include the process guidance on how to perform the materiality assessment, the three disclosure requirements from ESRS 2 on materiality assessment of sustainability impacts, risks and opportunities (2-IRO 1, 2-IRO 2, and 2-IRO 3), and the three disclosure principles from ESRS 1 (1-1, 1-2, and 1-3), in line with how GRI organizes these contents.

Further, the concept of a 'disclosure principle' is confusing and unnecessary. GRI recommends making disclosure principles 1-1, 1-2, and 1-3 disclosure requirements in their own right, within a new ESRS 3.

In addition, paragraph 93 of ESRS 1 seems to suggest that reporting policies, targets, and actions for entity-specific sustainability matters is optional ('when the undertaking *decides to describe* policies, targets, actions and action plans, and resources in relation to entity-specific sustainability matters'), which seems to contradict paragraph 23(c) in ESRS 1. GRI recommends making it clear that reporting on policies, targets, and actions is required for all entity-specific material matters, as well as for material matters covered by the ESRS, and that this information cannot be excluded on the basis that it is not material.

For the foreseeable future the ESRS will cover only a limited set of sustainability matters. For the universe of matters that fall under 'entity-specific', it would be important, and in the interest of the provision of comparable information, to standardize at least the critical information on policies, targets, and actions. With regards to impact reporting, all undertakings should be able to describe their due diligence process with regard to any material topic – whether covered by an existing ESRS or not.

In addition, there is duplication of requirements between the disclosure principles in ESRS 1 and the related disclosure requirements on policies, targets, and actions in the topical ESRS. GRI recommends revising this content to avoid duplication.

GRI also recommends reviewing the detailed disclosure requirements included for reporting on policies, targets, and actions, and consider making some of these reporting recommendations or guidance, to alleviate the reporting burden for undertakings.

Additional feedback on specific sections or disclosure requirements of ESRS 1 and ESRS 2 are provided on the following pages.

ESRS 1 General principles

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>1. Reporting under European Sustainability Reporting Standards (ESRS)</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require, when necessary, reporting entity-specific disclosures, while GRI recommends but does not require reporting entity-specific disclosures ESRS require presenting sustainability information in Sustainability Statements that are part of the management report, while GRI does not prescribe the reporting format or location 	<p>GRI proposes revising the use of the term 'entity-specific'. Regarding the term 'entity-specific material matters, impacts, risks and opportunities', all material impacts, risks and opportunities that are reported under the ESRS (whether covered by a topical ESRS or not) are specific to the reporting entity (the undertaking is reporting about its own specific impacts). Regarding the concept of 'entity-specific disclosures', as the ESRS will, for the foreseeable future, cover only a limited set of sustainability matters, many of the 'entity-specific disclosures' undertakings will use are likely to come from existing references, frameworks, initiatives, reporting standards and benchmarks, and thus won't be 'entity-specific'. GRI proposes selecting a more suitable way of describing these concepts in line with GRI.</p>
<p>2. Applying CSRD concepts</p> <p>2.1 Characteristics of information quality</p> <ul style="list-style-type: none"> ➔ Relevance (26-28) ➔ Faithful representation (29-32) ➔ Comparability (33-34) ➔ Verifiability (35-37) ➔ Understandability (38-41) 	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> ➔ Not covered in the form of a principle ➔ Accuracy, Balance, Completeness ➔ Comparability ➔ Verifiability ➔ Clarity 	<p>Difference in approach:</p> <ul style="list-style-type: none"> In ESRS, sustainability information is relevant when it has substantive influence on the assessments and decisions of users of sustainability reports under a double materiality approach. GRI does not have a quality principle on 'relevance', but requires organizations to make an assessment of which disclosures from the Topic Standards are relevant for reporting on their impacts for each material topic <p>Additions in GRI are:</p> <ul style="list-style-type: none"> Sustainability context principle – which requires reporting information about impacts in the wider context of sustainable development 	<p>The ESRS have adopted the characteristics of information quality for financial reporting. While these are also relevant for sustainability reporting, there are additional quality considerations that need to be taken into account for sustainability reporting. Namely, sustainability context, which entails reporting information on impacts in the wider context of sustainable development. GRI recommends including the principle of sustainability context, in line with GRI.</p>
<p>2.2 Double materiality as the basis for sustainability disclosures</p> <p>Information materiality</p> <p>Stakeholders</p> <p>Double materiality</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>2. Key concepts</p> <ul style="list-style-type: none"> 2.1 Impact 2.2 Material topics 2.3 Due diligence 2.4 Stakeholder 	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS use double materiality, while GRI focuses on impact materiality ESRS use materiality at the level of all: topics/matters, impacts and information to be reported; while GRI applies materiality at the topic level 	<p>GRI proposes aligning the language used in the definition of 'impact materiality' with GRI's definition, which is more clear and precise. The GRI Standards are the most widely used standards globally for impact materiality. Alignment will also help reduce confusion and help achieve consistency in the reporting of impacts at the global level. GRI proposes the following amendments:</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
Impact materiality			<p><i>'A sustainability matter or information is material from an impact perspective when it represents the undertaking's most significant impacts on people or the environment over the short, medium or long term. This includes negative impacts caused or contributed to by the undertaking and negative impacts which are directly linked to the undertaking's operations, products, and services by its business relationships.'</i></p> <p>The definition of 'directly linked to' in paragraphs 49-50 is not consistent with the definition in authoritative intergovernmental instruments where this concept comes from. The phrase 'if it occurs at any tier of business relationships' is incorrect, as an organization can 'contribute' to an impact in the first tier of its supply chain, for example.</p> <p>GRI also disagrees with the example of Scope 2 and 3 GHG emissions (in paragraph 50a) being 'directly linked to' impacts. Some of these impacts could constitute impacts undertakings are 'contributing' to. For example, in the case of a car manufacturer, the emissions from the use of the cars it has sold would constitute Scope 3 downstream emissions. The car manufacturer can through its decisions on product design, design the car in such a way that it emits less emissions or no emissions at all, playing therefore a substantial contribution to such emissions.</p> <p>GRI proposes the following amendments:</p> <p><i>'Even if an undertaking does not cause or contribute to a negative impact, its operations, products, or services may be 'directly linked to' a negative impact by its business relationships.'</i></p> <p><i>For example, if the undertaking uses cobalt in its products that is mined using child labor, the negative impact (i.e., child labor) is directly linked to the undertaking's products through the tiers of business relationships in its supply chain (i.e., through the smelter and minerals trader, to the mining enterprise that uses child labor), even though the undertaking has not caused or contributed to the negative impact itself.'</i></p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
			<p><i>'Direct linkage' is not defined by the link between the undertaking and the other entity, and is therefore not limited to direct contractual relationships, such as 'direct sourcing'.</i></p> <p><i>In addition, 'direct linkage' does not refer to the distinction between direct and indirect impacts, as commonly used in differentiating various scopes of GHG emissions.'</i></p> <p>Paragraph 51 is lacking an explanation of how to determine the significance of positive impacts. GRI proposes including an explanation for this in line with ESRS 2, paragraph AG64 c-ii.</p>
Financial materiality	Not applicable		<p>Paragraphs 53-54 refer to the concepts of 'enterprise value' and 'enterprise value creation' and further refer to the concept of 'capitals' from frameworks promoting a multi-capital approach. The concepts of value creation and capitals have had limited and inconsistent uptake by enterprises. GRI recommends that financial materiality be defined only in relation to creating/eroding enterprise value and not in relation to value creation generally and capitals. This would be in line with the approach taken by the International Sustainability Standards Board (ISSB) in its draft sustainability standards which focus on enterprise value (The total value of an entity. It is the sum of the value of the entity's equity (market capitalisation) and the value of the entity's net debt).</p> <p>In addition, in ESRS 1, value creation is discussed in the context of financial materiality, while disclosure requirement 2-GR 4 - Key drivers of the value creation in ESRS 2 has a wider focus on all stakeholders, which is confusing.</p>
Relationship between double materiality and mandatory disclosure requirements	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The disclosure requirements set out in the ESRS (in both sector-agnostic and sector-specific ESRS) are presumed to be material. In GRI, this is only the case for sector-specific standards and not for topic-specific standards 	<p>GRI disagrees that all mandatory disclosure requirements established by the ESRS shall be presumed to be material and recommends reviewing this approach against existing proven approaches, such as GRI's. Such an approach risks undermining organizations' own materiality assessments, considerably increases the reporting burden, and has the potential to give rise to obstruction of information. GRI recommends that such a presumption only applies to those sustainability matters that are identified as likely material for organizations in a sector, as</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
			<p>that provides a solid basis against which to judge organizations' materiality assessments.</p> <p>Paragraph 61 should make clear that the rebuttable presumption is not applicable to any disclosure requirements in ESRS 2, including the General disclosure requirements (2-GR-1 to 2-GR-10).</p> <p>In addition, it should be made clear if the rebuttable presumption is applicable to the Disclosure Requirements in topical ESRS that are related to ESRS 2 Disclosure Requirements SBM, GOV and IRO and on policies, targets and actions (for example, whether the rebuttable presumption applies to disclosure requirement E1-1 on the transition plan for climate change mitigation).</p>
<p>2.3 Boundaries and value chain</p> <p>Reporting boundary</p> <p>Use of all the reasonable and supportable information including peer group or sector data</p> <p>Operational influence over activities and relationships in the upstream and downstream value chain</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p> <p style="padding-left: 40px;">Requirement 6: Provide reasons for omission for disclosures and requirements that the organization cannot comply with</p> <p>5. Additional recommendations for reporting</p> <p style="padding-left: 40px;">5.1 Aligning sustainability reporting with other reporting</p> <p><i>GRI 2: General Disclosures 2021</i></p> <p>2-2 Entities included in the organization's sustainability reporting</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • When it is not possible to collect necessary information about the undertaking's upstream and downstream value chain, the ESRS recommend approximating the missing information. GRI allows for the use of reasons for omission when data is unavailable or incomplete <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • disclosing a clear indication of the reliability of data obtained 	<p>Paragraph 65(a)(i) should be revised for consistency with paragraph 49. GRI proposes the following amendments: <i>'the impact materiality of a sustainability matter is similarly not constrained to negative impacts that the undertaking causes or contributes to through its own activities; it also covers negative impacts which are directly linked to the undertaking's operations, products and services by its business relationships'</i>.</p> <p>Regarding paragraph 65(a)ii, it is not clear why the assessment of relative severity is relevant to the determination of reporting boundaries. Severity relates to the threshold for determining if an issue is material for reporting or not – as per paragraph 49; it does not determine the boundary for reporting. GRI proposes deleting paragraph 65(a)ii.</p> <p>GRI also recommends allowing for some of the mandated requirements to be omitted in legitimate cases. The fact that data for own operations cannot be omitted for any of the requirements is impractical and not in tune with the real challenges of collecting such data. In addition, asking organizations to approximate missing information in cases where data is unavailable for the upstream and downstream value chain goes against the objective of faithful representation. GRI believes it is not good practice to encourage organizations to approximate data they don't understand.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
			<p>GRI proposes allowing for data to be omitted in legitimate cases for a sub-set of the disclosure requirements – in line with the approach in the GRI Standards. Legitimate reasons include when the required information is unavailable or incomplete, not applicable, confidential, or subject to legal prohibitions – particularly for organizations that are required to report under different jurisdictions of the world in addition to the EU.</p> <p>When data is unavailable or incomplete, the undertaking should be required to specify which information is unavailable or incomplete, explain why the required information is unavailable or incomplete, and describe the steps being taken and the expected time frame to obtain the information. EFRAG could additionally choose to set the time frame (e.g., X number of reporting periods) by when organizations should be required to provide the information.</p>
<p>Reporting policy adopted for the definition and changes of reporting boundaries</p> <p>Level of disaggregation</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> • Clarity • Comparability 	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require restating comparative information when there have been changes to the reporting boundaries, while GRI recommends but does not require doing so <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • disaggregation by country when material impacts, risks and opportunities are linked to laws, regulations or prevailing business practices in a country; or in relation to a significant site or a significant asset when relevant in respect of other EU regulations 	<p>Most of the topics and impacts covered by the ESRS are linked to laws and regulations. More clarity is needed on when exactly a country breakdown needs to be provided.</p>
<p>2.4 Time horizon</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> • Timeliness <p>5. Additional recommendations for reporting</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require retaining a reporting period for sustainability report consistent with the one retained for the financial statements. GRI recommends but does not require doing so, but requires reporting why the two don't align in cases where they don't 	<p>Paragraph 84 requires the undertaking to adopt certain time horizons in its processes of identification and management of material impacts, risks and opportunities, when defining its action plans and when setting targets. Prescribing how undertakings should manage their impacts falls outside the mandate of sustainability reporting standards. GRI therefore proposes to include a reference to the authoritative instruments that set out</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>5.1 Aligning sustainability reporting with other reporting</p>	<ul style="list-style-type: none"> GRI's Timeliness principle requires reporting on a regular schedule and making information available in time for information users to make decisions, while in the context of the ESRS this is stipulated by each Member State as per the Accounting Directive ESRS require comparing the most recent results with the equivalent information for the base year, while GRI recommends, but does not require, presenting information for the current reporting period and at least two previous periods ESRS require classifying impacts by time horizon, while in GRI reporting this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> linking retrospective and forward-looking information adopting specific time intervals for short-term, medium-term and long-term classifying action plans and targets by time horizon 	<p>these expectations or to review this paragraph to focus on reporting requirements.</p>
<p>2.5 Due diligence under the CSRD</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>2. Key concepts</p> <p>2.3 Due diligence</p>		<p>Section 2.5, the definition of due diligence in Appendix A, and the application guidance in Appendix C are not fully in line with the language and concepts in the UN and OECD instruments where the concept of due diligence comes from. GRI proposes revising for closer alignment with those instruments and to also involve experts from the UN and OECD in a review of this content. The content is inconsistent and importantly limits the intended scope of due diligence as envisioned in these instruments. For example, the definition of due diligence in Appendix A is limited to addressing 'material' impacts. Materiality is a reporting concept; while due diligence is a management concept which addresses all impacts of an undertaking (not only those determined to be material for reporting). In addition, this content only makes reference to addressing human rights and environmental impacts, while due diligence applies more generally to other types of impacts, in line with OECD's guidance.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Principle 1-1 – On policies adopted to manage material sustainability matters</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>c. describe its policies or commitments regarding the material topic</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on policies (e.g., scope, allocation of responsibilities, third-party standards of conduct used), while in GRI this information is optional 	<p>Paragraph AG3 states that generic policy commitments (such as those concerning norms of responsible business conduct or respecting human rights in general) shall be provided, when applicable, pursuant to the ESRS 2 Disclosure Requirement SBM. However, this information is not explicitly required in ESRS 2. Key international instruments set out expectations for these policy commitments and this information is essential to understand compliance with these instruments. GRI proposes to include an additional disclosure requirement in ESRS 2 on the undertaking's policy commitments for responsible business conduct, including its commitment to conduct due diligence and to respect human rights – in line with GRI 2-23 Policy commitments.</p>
<p>Disclosure Principle 1-2 – On targets, progress and tracking effectiveness</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e. report the following information about tracking the effectiveness of the actions taken: i.-iv.</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on targets (e.g., the scope, the baseline), while in GRI this information is optional <p>Additions in GRI are:</p> <ul style="list-style-type: none"> lessons learned and how these have been incorporated into the organization's operational policies and procedures how engagement with stakeholders has informed whether the actions have been effective 	<p>GRI proposes adding two additional requirements to report lessons learned and how these have been incorporated into the organization's operational policies and procedures, and how engagement with stakeholders has informed whether the actions have been effective, in line with GRI. Continuous improvement and stakeholder engagement are two important features of due diligence.</p>
<p>Disclosure Principle 1-3 – Actions, action plans and resources in relation to policies and targets</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts, including: i-iii.</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on actions (e.g., scope, time horizons), while in GRI this information is optional GRI recommends, but does not require, reporting on budget allocation <p>Additions in GRI are:</p> <ul style="list-style-type: none"> actions to prevent and mitigate potential negative impacts 	<p>Under paragraph 104, GRI proposes adding two additional requirements to report actions to prevent and mitigate potential negative impacts and how engagement with stakeholders has informed the actions taken, in line with GRI. This is consistent with the expectation of due diligence outlined in section 2.5 of ESRS 1 and in line with the requirements in the CSRD proposal for the development of sustainability reporting standards (Article 19a 1(e)(iii) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts).</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> how engagement with stakeholders has informed the actions taken 	<p>GRI also recommends to reconsider the use of the term 'action plan' in addition to actions. Action plan is not a concept that has seen widespread adoption in corporate disclosure. The term 'action' would be sufficient and it is more commonly used in corporate disclosure. The term action plan introduces an unnecessary further distinction. The content of disclosure principle 1-3 can be described without introducing the concept of an action plan.</p>
<p>4 Basis for preparing and presenting sustainability information</p> <p>4.1 General presentation principles</p>	<p><i>See chapter 6</i></p>		
<p>4.2 Presenting comparative information</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> Comparability 	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require comparative information in respect of the preceding period, while GRI recommends presenting information for at least the two previous periods 	
<p>4.3 Estimating under conditions of uncertainty</p> <p>4.4 Updating disclosures about events after the end of the reporting period</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> Accuracy Verifiability 	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on estimates, while in GRI this information is recommended and only required under specific topic-specific disclosures 	
<p>4.5 Changes in preparing or presenting sustainability information</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> Comparability 		
<p>4.6 Reporting errors in prior periods</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting principles</p> <ul style="list-style-type: none"> Comparability 	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require correcting prior period errors and to duly explain them. GRI does not require correcting errors, but does require reporting any restatements of information made from previous 	

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		reporting periods, such as errors, under GRI 2-4 Restatements of information	
4.7 Adverse impacts and financial risks	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p> <p>b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> providing cross-references to topics or sub-topics, when actions to avoid sustainability impacts or financial risks or to benefit from opportunities in relation to a sustainability topic or sub-topic might have material adverse impacts or cause material financial risks in relation to another sustainability topic or sub-topic 	
4.8 Optional disclosures	Not applicable		
4.9 Consolidated reporting and subsidiary exemption	Not applicable		
4.10 Additional reporting in part or in full under other sustainability reporting pronouncements	Not applicable		
<p>5 Providing linkage with other parts of corporate reporting</p> <p>5.1 General cohesiveness</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>1. Purpose and system of GRI Standards</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS allow incorporation by reference only for information included in other sections of the management report. GRI allows referencing information published in any location (not just 	

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	1.4 Using the GRI Standards: Reporting format	the management report), such as on web pages or in an annual report	
5.2 Connectivity with financial statements	GRI Topic Standards requiring financial data (e.g., <i>GRI 201: Economic Performance 2016</i> , <i>GRI 207: Tax 2020</i>)	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI's Topic Standards covering disclosure of financial data require reconciling the data with that included in financial statements. ESRS require more specific information, such as the reference to the relevant paragraph of the financial statements where the corresponding information can be found. When a link cannot be made, the ESRS also require additional information, such as the consistency of data and assumptions used 	
6 Structure of the sustainability statements	<p><i>GRI 1: Foundation 2021</i></p> <p>1. Purpose and system of GRI Standards</p> <p>1.4 Using the GRI Standards: Reporting format</p> <p>3. Reporting in accordance with the GRI Standards</p> <p>Requirement 7: Publish a GRI content index</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS prescribe the location and format to be used for presenting the required information – allowing undertakings to select among three options. For two of these options, a location table needs to be provided. GRI allows information to be published in a range of formats across one or more locations, as long as a GRI content index is provided, giving an overview of where the reported information can be found 	GRI recommends making more clear the difference between the three presentation options listed in section 6 and the illustrations in Appendix E.

ESRS 2 General, strategy, governance and materiality assessment disclosure requirements

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement 2-GR 1 - General characteristics of the sustainability reporting of the undertaking</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p> <p>Requirement 6: Provide reasons for omission for disclosures and requirements that the organization cannot comply with</p> <p>Requirement 7: Publish a GRI content index</p> <p><i>GRI 2: General Disclosures 2021</i></p> <p>2-2 Entities included in the organization's sustainability reporting</p> <p>2-3 Reporting period, frequency and contact point</p> <p>b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this</p> <p>2-5 External Assurance</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI allows four reasons for omission to be used when a required disclosure or requirement cannot be complied with: not applicable, legal prohibitions, confidentiality constraints, and information unavailable/incomplete. In ESRS, information may be exempted if it is prejudicial to the undertaking's commercial position, subject to whether the respective EU member state allows this ESRS prescribe the location and format to be used for presenting the required information – allowing undertakings to select among three options. For two of these options, a location table needs to be provided. GRI allows information to be published in a range of formats across one or more locations, as long as a GRI content index is provided, giving an overview of where the reported information can be found <p>Additions in GRI are:</p> <ul style="list-style-type: none"> list of any additional entities included in sustainability reporting compared to the entities in financial reporting approach to consolidating information policy and practice for seeking external assurance, including involvement of highest governance body and senior executives what has been assured and on what basis, including the assurance standards used and any limitations relationship between the organization and the assurance provider 	<p>See GRI's feedback on the use of reasons for omission, under ESRS 1.</p>
<p>Disclosure Requirement 2-GR 2 – Sector(s) of activity</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-1 Organizational details</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires reporting the sectors in which the organization is active. ESRS require reporting 	<p>It is not clear how the 'total number of headcount' is to be calculated, i.e., whether it covers employees or also other workers. GRI proposes aligning this requirement with GRI 2-7 Employees and GRI 2-8 Workers who are not</p>

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>d. report its countries of operation.</p> <p>2-6 Activities, value chain and other business relationships</p> <p>2-7 Employees</p> <p>2-8 Workers who are not employees (depending on ESRS's definition of 'headcount')</p> <p><i>GRI 201: Economic Performance 2016</i></p> <p>201-1 Direct economic value generated and distributed</p>	<p>significant sectors the undertaking is active – where significant is defined as revenue above 10% or as evidenced by adjustments to the strategy and business model</p> <ul style="list-style-type: none"> ESRS require mapping all significant activities in accordance with the sectors in ESRS SEC 1, while in GRI the organization is free to choose the sector classification ESRS require reporting the significant sector(s) the undertaking is active in, including in which significant country, while GRI requires the countries of operation and the sectors the organization is active in to be reported separately In GRI, information on revenue is only reported if the corresponding topic has been identified as material ESRS 2 requires the total number of headcount and a breakdown by significant country. ESRS S1 requires further detailed information on the characteristics of the undertaking's employees and of non-employee workers in the undertaking's own workforce (Disclosure Requirements S1-7 and S1-8), which means that such information is subject to an undertaking's materiality assessment. In GRI this information is required from all organizations and it is not subject to a materiality assessment ESRS require a breakdown of headcount by significant country, while GRI requires a breakdown by region <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> breakdown of the total revenue by significant sector key features of the business model(s) leading to significant internal transactions and corresponding sectors which are additional to the ones determined on the basis of revenues potential challenges and/or competitive advantages of the undertaking in performing the activities 	<p>employees, which provide clear definitions and methodologies for reporting this information.</p> <p>In addition, the undertaking's approach to employment is a critical feature for understanding the business model and activities of the undertaking. GRI recommends that Disclosure Requirements S1-7 and S1-8 in ESRS S1 be moved to the cross-cutting standards (ESRS 2) and be further aligned with GRI 2-7 and 2-8. This basic information is of relevance not only for the social standards and should therefore be discussed in the cross-cutting standards as standalone disclosures separate from the discussion of sectors of activity.</p> <p>With regards to the required breakdown of the total revenue (as included in the financial statement) by significant sector and by significant country, GRI recommends focusing on the information that cannot be found in a financial report to avoid duplication of information and reduce reporting burden.</p>

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> whether the undertaking is active in the fossil fuel, chemicals production, or controversial weapons sectors 	
<p>Disclosure Requirement 2-GR 3 - Key features of the value chain</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-6 Activities, value chain and other business relationships</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on the value chain (e.g., types of entities, contractual terms), while in GRI this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> key stages in the upstream value chain key resources the undertaking leverages in relation to the activities it carries out relative contribution of the value chain participants to the undertaking's performance and positions and how they contribute to the value creation of the undertaking <p>Additions in GRI are:</p> <ul style="list-style-type: none"> other relevant business relationships (besides those in the value chain) significant changes compared to the previous reporting period 	<p>GRI recommends reviewing this disclosure requirement for much closer alignment with GRI 2-6 Activities, value chain and other business relationships, both for the requirements as well as the definitions.</p>
<p>Disclosure Requirement 2-GR 4 - Key drivers of the value creation</p>	<p>Not applicable</p>		<p>As noted under ESRS 1, the concepts of value creation and capitals have had limited and inconsistent uptake by enterprises. GRI recommends that financial materiality be defined only in relation to creating/eroding enterprise value and not in relation to value creation generally and capitals. This would be in line with the approach taken by IFRS in its draft sustainability standards which focus on enterprise value (The total value of an entity. It is the sum of the value of the entity's equity (market capitalisation) and the value of the entity's net debt).</p> <p>If retaining the concept of 'value creation', GRI recommends providing a clear definition, as well as examples of drivers of value creation – particularly for non-investor related value creation. A more detailed discussion and AG in ESRS 1 or ESRS 2 would also be</p>

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
			needed. Without clear guidance, it will lead to inconsistent reporting by undertakings.
Disclosure Requirement 2-GR 5 – Using approximations on the disclosure in relation to boundary and value chain	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p> <p>Requirement 6: Provide reasons for omission for disclosures and requirements that the organization cannot comply with</p> <p>4. Reporting Principles</p> <ul style="list-style-type: none"> • Accuracy <p>Various disclosures in Topic Standards require reporting on whether estimates have been used</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • In GRI, the requirement to report on approximations used is included under relevant disclosures where estimates may be used • ESRS require more detailed information on approximations (e.g., scope) <p><i>See also mapping for ESRS 1, section 2.3 Boundaries and value chain</i></p>	
Disclosure Requirement 2-GR 6 – Disclosing on significant estimation uncertainty	<p><i>GRI 1: Foundation 2021</i></p> <p>4. Reporting Principles</p> <ul style="list-style-type: none"> • Verifiability 	<p>Difference in approach:</p> <ul style="list-style-type: none"> • GRI recommends, but does not require, providing explanations of any uncertainties associated with the reported information 	
Disclosure Requirement 2-GR 7 - Changes in preparation and presentation	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-4 Restatements of information</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • methodology used for the restatement • if it is impracticable to adjust comparative information for one or more periods, the undertaking shall disclose this fact and why 	
Disclosure Requirement 2-GR 8 – Prior period errors	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-4 Restatements of information</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the impracticability and a description of how and when the error has been corrected 	The requirement to report ‘the amount of the corrections’ is not clear. GRI proposes clarifying if this refers to the number of corrections made or to the quantitative change in the restated information.

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement 2-GR 9 – On other sustainability reporting pronouncements	Not applicable		
Disclosure Requirement 2-GR 10 - General statement of compliance	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p> <p>Requirement 7: Publish a GRI content index</p> <p>Requirement 8: Provide a statement of use</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require a list of ESRS applied early before they come effective in the statement of compliance. In GRI this information can be inferred from the GRI content index <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> for entity-specific disclosures, an acknowledgement of the characteristics of information quality used and steps taken to define the disclosures, and significant changes in or compared to the previous reporting period 	
Disclosure Requirement 2-SBM 1 - Overview of strategy and business model	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-22 Statement on sustainable development strategy</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI recommends, but does not require, reporting how the organization's purpose, business strategy, and business model aim to prevent negative impacts and achieve positive impacts on the economy, environment, and people In GRI, the strategy statement is to be provided by the highest governance body or most senior executive <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> key features of the general strategy and business model(s) (e.g., mission, vision and core values, goals and purposes) <p>Additions in GRI are:</p> <ul style="list-style-type: none"> relevance of sustainable development to the organization 	

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement 2-SBM 2 – Views, interests and expectations of stakeholders</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-29 Approach to stakeholder engagement</p> <p><i>GRI 3: Material Topics 2021</i> 3-1 Process to determine material topics</p> <p>b. specify the stakeholders and experts whose views have informed the process of determining its material topics.</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> stakeholder views, interests and expectations and how the strategy and business model(s) are impacted by these (e.g., stakeholders' current views of the undertaking's strategy and business model(s), the recent evolution of these views, how and what steps it has taken to amend its strategy and business model(s) to address these) <p>Additions in GRI are:</p> <ul style="list-style-type: none"> how stakeholders are identified purpose of stakeholder engagement how meaningful engagement with stakeholders is ensured 	<p>GRI proposes this disclosure requirement have a wider scope on stakeholder engagement, in line with GRI 2-29, and not be limited to how stakeholders inform the undertaking's strategy and business model(s).</p>
<p>Disclosure Requirement 2-SBM 3 – Interaction of impacts and the undertaking's strategy and business model</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-22 Statement on sustainable development strategy</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI recommends, but does not require, reporting how the organization's purpose, business strategy, and business model aim to prevent negative impacts and achieve positive impacts on the economy, environment, and people In GRI, the strategy statement is to be provided by the highest governance body or most senior executive <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> summarized description of information reported in other disclosure requirements (e.g., actual and potential material sustainability impacts as identified in the materiality assessment) how actual and potential material sustainability impacts originate from or are connected to the strategy and business model(s) resilience of the strategy and business model(s) to each material impact initiatives to modify the strategy and business model(s) including a quantification of the impact 	<p>There is some duplication between this disclosure requirement and Disclosure Requirement 2-SBM 1. There is also duplication between this disclosure requirement and the requirements in the section 'Materiality assessment of sustainability impacts, risks and opportunities' of ESRS 2 and the topical ESRS.</p> <p>GRI recommends reviewing this disclosure to avoid duplication, by focusing this disclosure on how the organization's purpose, business strategy, and business model aim to prevent negative impacts and achieve positive impacts on the economy, environment, and people and combining it with Disclosure requirement 2-SBM 1.</p>

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement 2-SBM 4 – Interaction of risks and opportunities and the undertaking’s strategy and business model	Not applicable		
Disclosure Requirement 2-GOV 1 – Roles and responsibilities of the administrative, management and supervisory bodies	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-9 Governance structure and composition</p> <p>2-10 Nomination and selection of the highest governance body</p> <p>2-12 Role of the highest governance body in overseeing the management of impacts</p> <p style="padding-left: 20px;">b. describe the role of the highest governance body in overseeing the organization’s due diligence and other processes to identify and manage the organization’s impacts on the economy, environment, and people, including: i-ii.</p> <p style="padding-left: 20px;">c. describe the role of the highest governance body in reviewing the effectiveness of the organization’s processes as described in 2-12-b, and report the frequency of this review.</p> <p>2-13 Delegation of responsibility for managing impacts</p> <p>2-17 Collective knowledge of the highest governance body</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require a description of the criteria for nominating and selecting members of its administrative, management and supervisory bodies and other key personnel, while GRI requires this information for the highest governance body and its committees <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • when the undertaking has or will put in place initiatives to modify its strategy and business model(s), the allocation of responsibilities and organisational structure to address impacts, risks and opportunities • assessment of and changes to sustainability-related aspects of the undertaking’s strategy and business model(s) • form the oversight takes for each aspect: information, consultation or decision-making • how successive levels of responsibility and decision-making authority interact and complement each other <p>Additions in GRI are:</p> <ul style="list-style-type: none"> • role of the highest governance body in reviewing the effectiveness of due diligence processes and frequency of this review 	GRI proposes clarifying what is requested by requirement 52(c)iii.

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement 2-GOV 2 - Information of administrative, management and supervisory bodies about sustainability matters</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-12 Role of the highest governance body in overseeing the management of impacts</p> <p>2-13 Delegation of responsibility for managing impacts</p> <p>2-16 Communication of critical concerns</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> whom the governance bodies receive information from manner senior executives and other internal staff interact with the governance bodies on sustainability matters topics being addressed and with what purpose: information, consultation or decision if stakeholder engagement is delegated, how feedback from stakeholders is provided to the administrative, management and supervisory bodies <p>Additions in GRI are:</p> <ul style="list-style-type: none"> total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period 	
<p>Disclosure Requirement 2-GOV 3 - Sustainability matters addressed by the undertaking's administrative, management and supervisory bodies</p>	<p>Not covered</p>	<p>GRI requires a general description of the role of the highest governance body in overseeing the management of impacts (GRI 2-12), but does not require specific information on which specific matters were addressed by the governance body.</p>	
<p>Disclosure Requirement 2-GOV 4 - Integration of sustainability strategies and performance in incentive schemes</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-19 Remuneration policies</p> <p>b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> performance-related incentive schemes provided to other employees linked to the implementation of the undertaking's sustainability-related strategies, policies and targets any other incentive scheme fostering the implementation of the sustainability strategy of the undertaking how the incentive policies vary from one category to another (i.e. administrative, management and supervisory bodies' members, senior executives, heads of department, other employees) who has authority over approval and update of incentive policies, as well as over the monitoring 	

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<p>of the effects of such policies on the undertaking's ability to deliver its sustainability strategy, meet its sustainability targets and manage its impacts, risks and opportunities</p> <ul style="list-style-type: none"> • whether performance is being assessed against specific targets and/or impacts – and which ones – and whether sustainability-related key performance indicators (KPIs) are being considered as performance benchmarks • proportion of variable compensation conditioned to such KPIs being met or why it is not conditioned 	
Disclosure Requirement 2-GOV 5 - Statement on due diligence	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p> <p>Requirement 7: Publish a GRI content index</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • GRI does not require a standalone mapping that reconciles the main aspects of sustainability due diligence to the relevant disclosures in the sustainability statements, but this information can be inferred through an organization's GRI content index 	It is not clear why this disclosure requirement is limited to environmental and human rights aspects. Due diligence applies more generally to other types of impacts, in line with OECD's guidance.
Disclosure Requirement 2-IRO 1 - Description of the processes to identify material sustainability impacts, risks and opportunities	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-14 Role of the highest governance body in sustainability reporting</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-1 Process to determine material topics</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require more detailed information about the processes (i.e., methodologies adopted, scientific and analytical research used, limitations or exclusions), while in GRI this information is recommended but not required <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • acknowledgement of double materiality as the pivotal principle followed for the undertaking's assessment, including a description of how this principle is applied in practice • organisation put in place and resources dedicated to the assessment • internal control procedures • the latest and future revision dates of the assessment • processes carried out to assess what disclosures are to be retained for the preparation of the management report 	<p>Paragraph AG 60 should be aligned with paragraph 47 in ESRS 1, which states that the starting point for double materiality is the assessment of impact materiality, as a sustainability impact may become financially material when it translates or is likely to translate into financial effects in the short-, medium-, or long-term.</p> <p>Paragraph AG 61c is duplicative of paragraphs 77b and 80b.</p>

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> whether the undertaking has or will put in place initiatives to modify its strategy and business model(s), to reduce or eliminate the risk or to benefit from the opportunity and/or to prevent and mitigate negative material impacts and enhance positive material impacts, and if so, the material impacts, risks and opportunities that triggered such initiatives 	
<p>Disclosure Requirement 2-IRO 2 - Outcome of the undertaking's assessment of material sustainability impacts, risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS</p> <p>Disclosure Requirement 2-IRO 3 - Outcome of the undertaking's assessment of material sustainability impacts, risks and opportunities that are not covered by an ESRS (entity-specific level)</p>	<p><i>GRI 1: Foundation 2021</i></p> <p>3. Reporting in accordance with the GRI Standards</p> <p>Requirement 3-b-ii. list in the GRI content index any topics from the applicable Sector Standard(s) that the organization has determined as not material and explain why they are not material.</p> <p>Requirement 5-b-i. report the disclosures from the GRI Topic Standards listed for that topic in the Sector Standard(s), or;</p> <p>Requirement 5-b-ii. provide the 'not applicable' reason for omission and the required explanation in the GRI content index.</p> <p>Requirement 6: Provide reasons for omission for disclosures and requirements that the organization cannot comply with</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The disclosure requirements set out in the ESRS (in both sector-agnostic and sector-specific ESRS) are presumed to be material. In GRI, this is only the case for sector-specific standards and not for topic-specific standards ESRS use materiality at the level of topics/matters, impacts and information to be reported; while GRI applies materiality at the topic level. In ESRS, 'not material for the undertaking' may cover disclosures that are not applicable. In GRI, 'not applicable' is considered a reason for omission for required disclosures which cannot be complied with ESRS distinguish between material topics covered by ESRS and those that are entity-specific. While GRI does not require this distinction, this can be inferred through an organization's GRI content index ESRS require, when necessary, reporting entity-specific disclosures, while GRI recommends but does not require reporting entity-specific disclosures <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> when the undertaking has or will put in place initiatives to modify its strategy and business model(s), in order to reduce or eliminate the risk or to benefit from the opportunity and/or in order to prevent and mitigate negative material impacts and enhance positive material impacts, a list of such sustainability impacts, risks and opportunities, and how the undertaking has identified them 	

ESRS 2	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-2 List of material topics</p> <p>3-3 Management of material topics</p> <p>a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p> <p>b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;</p>	<ul style="list-style-type: none"> for entity-specific disclosures, the substance/objective of the disclosures 	
Appendix A: Defined terms			<p>The proposed definition of 'value chain' is too limiting as it focuses on the creation of products and services. GRI proposes aligning this definition with GRI's definition, which focuses on the complete range of activities to bring an organization's products or services from their conception to their end use.</p> <p>The term and definition for 'human rights due diligence' should be replaced with the definition for 'due diligence' included in ESRS 1, as this is the wider concept that is used in ESRS 2.</p>

Environmental standards

All environmental ESRS are closely related to one another and some of the required data may overlap across these standards. GRI proposes reviewing these standards to eliminate duplication of content and to clearly state at the beginning of each standard the precise scope of the standard.

ESRS E1 Climate change

GRI's general feedback on ESRS E1:

Disclosure Requirements E1-15, E1-16 and E1-17 focus on the financial repercussions of physical and transition risks. This creates an imbalance in reporting, favoring the impacts that have financial implications over other types of impacts, which is not in line with the double materiality ambition outlined in the proposed CSRD or with the stated objective of this standard as specified in paragraph 1. Climate change can have substantive impacts on stakeholders that would not be adequately captured by this standard. The effects on workers resulting from the transition to a low carbon economy is the clearest example, as it has a high social impact but not necessarily a financial impact on the undertaking. The reference in paragraph 7 to ESRS S1 to S4 does not guarantee adequate coverage of these impacts in those standards either.

In addition, there are several instances in which sector standards could help to clarify the reporting requirements and alleviate the reporting burden. For example, Disclosure Requirement E1-14 on avoided emissions may be easier to quantify in certain sectors; each sector should be allowed to use the most relevant unit to express energy intensity (under Disclosure Requirement E1-6); and land use changes could be better introduced in sector standards for agriculture and other related sectors.

ESRS E1	GRI Standards	Comparison ESRS and GRI	GRI feedback
Objective 4 Other impacts on climate change (e.g., from land use changes, black carbon, tropospheric ozone etc.), are not explicitly addressed by this [draft] Standard but should be included as part of the assessment of material impacts on climate change.			Land use changes generate GHG emissions and can be included in Scopes 1, 2 and 3 according to the GHG Protocol. GRI understands that Disclosure Requirements E1-7, E1-8 and E1-9 can include emissions from land use change given the current formulation and therefore proposes to delete this statement.
Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Not covered	GRI does not include specific requirements on the transition plan, but this information can be reported under GRI 3-3 Management of material topics.	There is a big overlap between Disclosure Requirements E1-1 and E1-4. These could be potentially merged.
Disclosure Requirement E1-2 – Policies implemented to manage climate change mitigation and adaptation	<i>GRI 3: Material Topics 2021</i> 3-3 Management of material topics	Difference in approach: <ul style="list-style-type: none"> GRI does not require separating policies related to mitigation and adaptation 	GRI proposes to clarify the distinction between this disclosure requirement and Disclosure Requirement E1-1.

ESRS E1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	c. describe its policies or commitments regarding the material topic		
Disclosure Requirement E1-3 – Measurable targets for climate change mitigation and adaptation	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p> <p><i>GRI 305: Emissions 2016</i></p> <p>305-5 Reduction of GHG emissions</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires excluding reductions resulting from reduced production capacity or outsourcing, and reporting reductions from offsets separately 	<p>GRI recommends separating the reductions from offsets and the reductions resulting from reduced capacity or outsourcing, as it is important to understand the reductions that are the direct result from reduction initiatives implemented.</p> <p>GRI also recommends reducing the reporting burden for this disclosure, particularly around the three tables required under paragraphs 24 and AG 30.</p>
Disclosure Requirement E1-4 – Climate change mitigation and adaptation action plans and resources	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts, including: i-iii.</p> <p>e. report information about tracking the effectiveness of the actions taken;</p>		<p>There is a big overlap between Disclosure Requirements E1-1 and E1-4. These could be potentially merged.</p>
<p>Performance measurement</p> <p>Disclosure Requirement E1-5 – Energy consumption and mix</p> <p>33 a) total energy consumption from non-renewable sources, broken down by:</p> <p>i. fuel consumption from coal and coal products;</p> <p>ii. fuel consumption from crude oil and petroleum products;</p> <p>iii. fuel consumption from natural gas;</p>	<p><i>GRI 302: Energy 2016</i></p> <p>302-1 Energy consumption within the organization</p> <p>302-2 Energy consumption outside the organization</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires data to be reported in joules, watt-hours or multiples, while ESRS require data to be reported in MWh only GRI requires purchased energy consumption to be broken down by electricity, heating, cooling and steam, while ESRS require a combined total ESRS require total energy consumption from renewable sources broken down by fuel consumption for renewable sources and self-generated non-fuel renewable energy, while GRI requires a combined figure for this 	<p>GRI proposes to require reporting energy consumption outside of the reporting organization. This information is important to understand an organization's range of impacts related to energy consumption and is necessary in order to compile data on GHG emissions Scope 3.</p>

ESRS E1	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>iv. fuel consumption from other non-renewable sources;</p> <p>v. consumption from nuclear products; and</p> <p>vi. consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources; and</p> <p>(b) total energy consumption from renewable sources, broken down by:</p> <p>vii. fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, hydrogen from renewable sources, etc.);</p> <p>viii. consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources; and</p> <p>ix. consumption of self-generated non-fuel renewable energy.</p>		<p>Additions in GRI are:</p> <ul style="list-style-type: none"> • electricity, heating, cooling and steam sold • energy consumption outside the organization <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • breakdown of consumption of purchased or acquired electricity, heat, steam, and cooling by renewable and non-renewable sources • breakdown of energy consumption by fuel type 	
<p>Disclosure Requirement E1-6 – Energy intensity per net turnover</p>	<p><i>GRI 302: Energy 2016</i> 302-3 Energy intensity</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • In GRI, the ratio can be provided for energy consumption within the organization, outside of it, or both, while ESRS require the ratio for energy consumption from activities in high climate impact sectors • ESRS require the data to be provided in MWh per monetary unit, while in GRI the organization is free to choose the most appropriate denominator <p>Additions in GRI are:</p> <ul style="list-style-type: none"> • types of energy included (fuel, electricity, heating, cooling, steam or all) 	<p>Different units of measure may be more appropriate to different sectors. GRI proposes that each sector should be allowed to use the most appropriate unit to express energy intensity.</p>

ESRS E1	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement E1-7 – Scope 1 GHG emissions	<i>GRI 305: Emissions 2016</i> 305-1 Direct (Scope 1) GHG emissions	Additions in ESRS are: <ul style="list-style-type: none"> share of emissions under regulated emissions trading schemes 	The information required in the table under AG paragraph 50 overlaps with that required under Disclosure Requirement E1-3. GRI proposes combining them.
Disclosure Requirement E1-8 – Scope 2 GHG emissions	<i>GRI 305: Emissions 2016</i> 305-2 Energy indirect (Scope 2) GHG emissions		
Disclosure Requirement E1-9 – Scope 3 GHG emissions	<i>GRI 305: Emissions 2016</i> 305-3 Other indirect (Scope 3) GHG emissions	Difference in approach: <ul style="list-style-type: none"> ESRS require a breakdown by (i) upstream purchasing, (ii) downstream sold products, (iii) goods transportation, (iv) travel and (v) financial investments, while GRI recommends, but does not require, a breakdown by upstream and downstream categories and activities 	When compiling the gross Scope 3 GHG emissions, AG paragraph 48 requires financial institutions to consider the GHG Accounting and Reporting Standard for the Financial Industry from the Partnership for Carbon Accounting Financial (PCAF). GRI proposes that sector-specific disclosures be excluded from the sector-agnostic standards.
Disclosure Requirement E1-10 – Total GHG emissions	<i>GRI 305: Emissions 2016</i> 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	Difference in approach: <ul style="list-style-type: none"> GRI requires the disclosure of Scopes 1, 2 and 3 GHG emissions to be reported separately; it doesn't have a separate disclosure for the total of the three scopes 	GRI proposes removing Disclosure Requirement E1-10.
Disclosure Requirement E1-11 – GHG intensity per net turnover	<i>GRI 305: Emissions 2016</i> 305-4 GHG emissions intensity	Difference in approach: <ul style="list-style-type: none"> In GRI, the ratio can be provided for Scopes 1, 2 or 3. GRI allows combining Scopes 1 and 2, but requires reporting Scope 3 separately. ESRS require the ratio for the total GHG emissions (Scopes 1, 2 and 3 combined) ESRS require to report the emissions intensity in metric tons of CO₂ equivalent per monetary unit, while in GRI the 	See the comment to Disclosure Requirement E1-6.

ESRS E1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		organization is free to choose the most appropriate denominator	
Disclosure Requirement E1-12 – GHG removals in own operations and the value chain	<i>GRI 305: Emissions 2016</i> 305-5 Reduction of GHG emissions	Difference in approach: <ul style="list-style-type: none"> GRI includes removal of GHG as a type of GHG emissions reduction 	GRI suggests specifying reported amounts as CO ₂ stored minus the GHG emitted in the process ('net reduction of emissions').
Disclosure Requirement E1-13 – GHG mitigation projects financed through carbon credits	<i>GRI 305: Emissions 2016</i> 305-5 Reduction of GHG emissions	Difference in approach: <ul style="list-style-type: none"> GRI includes offsets as a type of GHG emissions reduction 	
Optional Disclosure Requirement E1-14 – Avoided GHG emissions from products and services	<i>GRI 302: Energy 2016</i> 302-5 Reduction of energy requirements of products and services	Difference in approach: <ul style="list-style-type: none"> GRI requires information about the reduction in energy requirements of sold products, while ESRS require information about avoided GHG emissions 	This metric will be difficult to understand by report readers and reporters, given the 'lack of an accepted framework for accounting and reporting of such avoided emissions.'
Taxonomy Regulation for climate change mitigation and climate change adaptation	Not covered		
Disclosure Requirement E1-15 – Potential financial effects from material physical risks (a) the assets (monetary amounts and percentage) at material physical risk over the short-, medium-, and long-term and the share of these assets addressed by the climate change adaptation action plan; and (b) the share (%) of net turnover from its business	<i>GRI 201: Economic Performance 2016</i> 201-2 Financial implications and other risks and opportunities due to climate change	Difference in approach: <ul style="list-style-type: none"> GRI doesn't require to distinguish between short, medium and long term Additions in ESRS are: <ul style="list-style-type: none"> share of the assets at risk that are covered by the climate change adaptation action plan share of turnover at risk 	Disclosure Requirement E1-15 focuses on financial risk exclusively. In the context of the proposed CSRD, the question arises as to whether the impacts on workers, etc. related to physical risks should be reported which don't necessarily constitute a material financial effect. This seems to be a significant gap in the proposed disclosure structure.
Disclosure Requirement E1-16 – Potential financial effects from material transition risks	<i>GRI 201: Economic Performance 2016</i> 201-2 Financial implications and other risks and opportunities due to climate change	Difference in approach: <ul style="list-style-type: none"> GRI doesn't require to distinguish between short, medium and long term 	Disclosure Requirement E1-16 focuses on financial risk exclusively. In the context of the proposed CSRD, the question arises as to whether the impacts on workers, etc. related to

ESRS E1	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>(a) the assets (monetary amounts and percentage) at material transition risk over the short-, medium- and long-term and the share of these assets addressed by the climate change mitigation action plan;</p> <p>(b) the liabilities (monetary amounts) that may have to be recognised in financial statements over the short-, medium- and long-term; and</p> <p>(c) the share (%) of turnover from its business activities at material transition risk.</p>		<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • share of the assets at risk that are covered by the climate change adaptation action plan • liabilities (monetary amounts) that may have to be recognised in financial statements over the short-, medium- and long-term • share of turnover at risk 	<p>transition risks should be reported which don't necessarily constitute a material financial effect. This seems to be a significant gap in the proposed disclosure structure.</p>
<p>Disclosure Requirement E1-17 – Potential financial effects from climate-related opportunities</p> <p>(a) an assessment of its expected cost savings with regards to climate change mitigation and adaptation actions; and</p> <p>(b) an assessment of the potential market size for low carbon products and services or adaptation solutions, to which the undertaking has or may have access.</p>	<p><i>GRI 201: Economic Performance 2016</i></p> <p>201-2 Financial implications and other risks and opportunities due to climate change</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require an assessment of cost savings and market size of opportunities, while GRI recommends, but does not require it 	<p>Disclosure Requirement E1-17 focuses on financial opportunities exclusively. There can be opportunities for workers and communities which don't have a material financial effect. This seems to be a significant gap in the proposed disclosure structure.</p>

ESRS E2 Pollution

GRI's general feedback on ESRS E2:

ESRS E2 is closely related to other standards such as E1, E3 and E5 and some of the required data may overlap across these standards (for example, the data required in E5 on hazardous waste generated). GRI proposes reviewing these standards to eliminate duplication of content and to clearly state at the beginning of each standard the precise scope of the standard.

ESRS E2	GRI Standards	Comparison ESRS and GRI	GRI feedback
E2-1 – Policies implemented to prevent and control pollution	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>c. describe its policies or commitments regarding the material topic</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> ESRS specify the European regulations that the undertaking's pollution-policies shall be aligned with <p>Additions in GRI are:</p> <ul style="list-style-type: none"> minimum standards set for the quality of effluent discharge 	<p>GRI proposes to clarify how the undertaking is to report 'taking account of actual and possible upcoming regulations'.</p> <p>GRI proposes adding a requirement on the minimum standards set for the quality of effluent discharge, in line with GRI 303-2. This information is important to understand an organization's approach to water quality, in order to protect ecosystems, wildlife, and human health and welfare.</p>
E2-2 – Measurable targets for pollution	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The GRI Standards do not prescribe which targets undertakings shall use <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> ESRS require the undertaking to link its targets to EU Action Plan "Towards a Zero Pollution for Air, Water and Soil" ESRS is more detailed about the data that the undertaking shall report on, and requires a presentation in 5-year periods including a set date in 2030 <p>Additions in GRI are:</p> <ul style="list-style-type: none"> GRI 303-1 requires organizations to explain the process for setting any water-related goals and targets that are part of the organization's approach to managing water and effluents, and how they relate to public policy and the local context of each area with water stress 	

ESRS E2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>E2-3 – Pollution action plans and resources</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts, including: i-iii.</p> <p>f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective</p> <p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-1 Interactions with Water as a shared resource</p> <p>303-2 Management of water discharge related impacts</p> <p><i>GRI 306: Waste 2020</i></p> <p>306-2 Management of significant waste-related impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The GRI Standards recommend, but do not require, reporting on budget allocation <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> ESRS require more detailed information on actions (e.g., geographical scope, whether they are one-time initiatives or systematic practices) 	
<p>E2-4 – Pollution of air, water and soil</p> <p>32. The undertaking shall disclose the list of pollutants that are generated or used during production processes or that are procured, and that leave its</p>	<p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-4 Water discharge</p> <p><i>GRI 305: Emissions 2016</i></p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS 2 require the undertaking to report the amount of pollutants on air, water and soil in a single standard, whereas GRI has separate standards for emissions, water and waste that require data on pollution 	<p>GRI strongly recommends requiring the proportion of water discharge that constitutes freshwater ($\leq 1,000$ mg/L Total Dissolved Solids), in line with GRI 303-4.</p>

ESRS E2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>facilities as emissions, as products, or as part of products or services.</p> <p>35. The disclosure required by paragraph 32 shall include emissions to air, emissions as effluents or other entries to water and pollutants to soil resulting from its operations, products and services all along the value chain and product life-cycle.</p> <p>36. For the pollutants to air, water or soil, the undertaking shall disclose:</p> <p>(a) the total amount of emissions in a defined period, using standard measures such as tons, kilograms, cubic meters,</p> <p>(b) the specific loads of emissions put in relation to production outputs (e.g. activity level, production volumes);</p> <p>(c) where defined, the targets as described under ESRS E2 Disclosure Requirement 2 above; and</p> <p>(d) where relevant, the land or water affected (in km2).</p> <p>37. The undertaking shall put its disclosure into context with:</p> <p>(a) the local air quality indices (AQI) for the area where the undertaking's pollution to air occurs;</p>	<p>305-6 Emissions of ozone-depleting substances (ODS)</p> <p>305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions</p> <p><i>GRI 306: Waste 2020</i></p> <p>306-3 Waste Generated</p> <p>306-4 Waste diverted from disposal</p> <p>306-5 Waste Directed to Disposal</p> <p><i>GRI 306: Effluents and Waste 2016</i></p> <p>306-3 Significant spills</p>	<ul style="list-style-type: none"> For air pollutants, ESRS also cover carbon monoxide, ammonia, other (hazardous) chemicals regulated by REACH and CLP and their compounds and other physical pollutants (heat, noise, light, radiation, odour); while GRI has an other significant air emission category which includes those regulated under international conventions and/or national laws or regulations For water pollutants, ESRS require data to be reported for oxygen demanding pollutants and nutrients, synthetic organic compounds, oil, pathogens, inorganic pollutants, microplastics and plastic particles, and other physical pollutants; while GRI requires reporting water discharge by freshwater ($\leq 1,000$ mg/L Total Dissolved Solids) and other water, as well as reporting the priority substances of concern for which discharges are treated and significant spills by material For soil pollutants, ESRS require reporting data for inorganic pollutants, organic compounds, nitrogen and phosphorous compounds, and other physical pollutants; while GRI requires reporting data on the generation and disposal of hazardous waste by composition and significant spills by material ESRS require the percentage of the total emissions of pollutants to water and soil occurring in areas of high-water stress, while GRI requires total water discharge to all areas with water stress and a breakdown by freshwater ($\leq 1,000$ mg/L Total Dissolved Solids) and other water ESRS require using certain approaches for quantification of pollution-related performance measures, in a specific order of priority, as well as additional detailed information on the methodologies used; while GRI does not prescribe this <p>Additions in ESRS are:</p>	

ESRS E2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>(b) the degree of urbanisation (DEGURBA)⁷ for the area where pollution to air occurs; and</p> <p>(c) the undertaking's percentage of the total emissions of pollutants to water and soil occurring in areas of high-water stress [as defined in the ESRS E3, Appendix A].</p> <p>38. Where the undertaking's activities are subject to the Industrial Emission Directive (IED) and relevant Best Available Techniques Reference Documents (BREFs), irrespective on whether the activity takes place within the European Union or not, the undertaking shall disclose:</p> <p>(a) a list of installations operated by the undertaking that fall under the IED and EU BAT Conclusions;</p> <p>(b) a list of any non-compliance incidents or enforcement actions;</p> <p>(c) the actual performance, as specified in the BAT BREF/BAT conclusions for installations, of the undertaking against the BAT-AEL conclusions.;</p> <p>(d) the actual performance of the undertaking against BAT-AEPLs as applicable to the sector and installation; and</p> <p>(e) a list of any compliance schedules or derogations</p>		<ul style="list-style-type: none"> • specific loads of emissions put in relation to production outputs (e.g. activity level, production volumes) • the land or water affected (in km²) • contextual information about the pollutants to air, water and soil, such as local air indices and degree of urbanization • more detailed information for undertakings whose activities are subject to the Industrial Emission Directive (IED) and relevant Best Available Techniques Reference Documents (BREFs) 	

ESRS E2	GRI Standards	Comparison ESRS and GRI	GRI feedback
associated with the implementation of BAT-AEL.			
E2-5 – Substances of concern and most harmful substances	<p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-4 Water discharge</p> <p><i>GRI 305: Emissions 2016</i></p> <p>305-6 Emissions of ozone-depleting substances (ODS)</p> <p>305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions</p> <p><i>GRI 306: Waste 2020</i></p> <p>306-3 Waste Generated</p> <p>306-5 Waste Directed to Disposal</p> <p><i>GRI 306: Effluents and Waste 2016</i></p> <p>306-3 Significant spills</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS define the substances of concern and most harmful substances based on EU legislation GRI 306-5 defines hazardous substances as those under Annex III of the Basel convention or classified as such under national legislation GRI 303-4 specifies 'priority substances of concern' as 'those that cause irreversible damage to the waterbody, ecosystem or human health' and requires reporting how priority substances of concern were defined, and any international standard, authoritative list, or criteria used GRI 305-7 includes a specific list of air emissions and adds others 'identified in relevant regulations', which include those regulated under international conventions and/or national laws or regulations <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> net turnover and share of total net turnover made with products and services that are or that contain the above-mentioned substances absolute raw material cost and share of total raw material cost that relate to the procurement of the above-mentioned substances to produce other products and services 	
Taxonomy Regulation for pollution prevention and control including enabling activities	Not covered		
E2-6 – Pollution-related incidents and deposit impacts and risks, and financial exposure to the undertaking	<p><i>GRI 306: Effluents and Waste 2016</i></p> <p>306-3 Significant spills</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI covers spills whereas ESRS cover incidents and deposits 	

ESRS E2	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> GRI require information of the location, volume and material, and the impacts, for each spill that is reported in the organization's financial statements, whereas ESRS require a description of all the cases of occurred incidents, clarifying the material environmental and societal impacts 	
E2-7 – Potential financial effects from pollution-related impacts, risks and opportunities	Not applicable		

ESRS E3 Water and marine resources

GRI's general feedback on ESRS E3:

ESRS E3 is closely related to all other environmental standards (E1, E2, E4 and E5) and some of the required data may overlap across these standards. For example, the disclosure on marine resources (E5-1) require reporting data already reported under the other environmental standards. GRI proposes reviewing these standards to eliminate duplication of content and to clearly state at the beginning of each standard the precise scope of the standard.

ESRS E3	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement E3-1 – Policies implemented to manage water and marine resources	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>c. describe its policies or commitments regarding the material topic;</p> <p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-2 Management of water discharge-related impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The GRI Standards do not prescribe the areas the policies shall cover <p>Additions in GRI are:</p> <ul style="list-style-type: none"> minimum standards set for the quality of effluent discharge 	GRI proposes adding a requirement on the minimum standards set for the quality of effluent discharge, in line with GRI 303-2. This information is important to understand an organization's approach to water quality, in order to protect ecosystems, wildlife, and human health and welfare.

ESRS E3	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: i-iv.</p>		
<p>Disclosure Requirement E3-2 – Measurable targets for water and marine resources</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p> <p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-1 Interactions with water as a shared resource</p> <p>d. An explanation of the process for setting any water-related goals and targets that are part of the organization's approach to managing water and effluents, and how they relate to public policy and the local context of each area with water stress.</p> <p>303-4 Water discharge</p> <p>d. Priority substances of concern for which discharges are treated, including: i-iii.</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The GRI Standards do not prescribe which targets undertakings shall use 	

ESRS E3	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement E3-3 – Water and marine resources action plans and resources</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts, including: i-iii.</p> <p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-1 Interactions with water as a shared resource</p> <p>a. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> The GRI Standards recommend, but do not require, reporting on budget allocation 	
<p>Disclosure Requirement E3-4 – Water management performance</p> <p>28 (a) total water withdrawals in thousands of m3;</p> <p>28 (b) total water consumption in thousands m3;</p> <p>28 (c) total water discharges in thousands m3; and</p> <p>28 (d) by reference to ESRS E2, where material, discharges, for</p>	<p><i>GRI 303: Water and Effluents 2018</i></p> <p>303-3 Water withdrawal</p> <p>303-4 Water discharge</p> <p>303-5 Water consumption</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI 303 requires reporting the change in water storage, if water storage has been identified as having a significant water-related impact, while ESRS require reporting total water stored GRI 303 requires water withdrawal, discharge and consumption in all areas with water stress, while ESRS require breakdowns per geographical area <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> discharges for priority substances of concern in tons or kilograms 	<p>GRI strongly recommends revising Disclosure Requirement E3-4 for closer alignment with GRI 303-3, 303-4 and 303-5.</p> <p>Importantly, Disclosure Requirement E3-4 should require reporting water withdrawal, discharge and consumption in areas with water stress and the proportion of water withdrawal and discharge that constitutes freshwater ($\leq 1,000$ mg/L Total Dissolved Solids).</p> <p>Without this information, Disclosure Requirement E3-4 falls short of providing insight into the impacts of the undertaking on the environment and people.</p>

ESRS E3	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>priority substances of concern in tons or kilograms.</p> <p>29. (a) total water recycled or reused in thousands m3; and</p> <p>29. (b) total water stored in thousands m3.</p>		<ul style="list-style-type: none"> • water recycled or reused • breakdowns per segment <p>Additions in GRI are:</p> <ul style="list-style-type: none"> • breakdowns of water withdrawal by source and breakdowns of water discharge by types of destination • proportion of water withdrawal and discharge that constitutes freshwater ($\leq 1,000$ mg/L Total Dissolved Solids) 	
<p>Optional Disclosure Requirement E3-5 – Water intensity performance</p>	<p>Not applicable</p>		
<p>Disclosure Requirement E3-6 – Marine resources-related performance</p> <p>35 (a) include the nature and quantity (in tons) of commodities of marine origin (such as gravels, deep-sea minerals, seafood,) used by the undertaking; and</p> <p>35 (b) i. its waste and reduction of waste (in tons) by reference to ESRS E5;</p> <p>35 (b) ii. its use of plastics along with its reduction by reference to ESRS E5 and ESRS E2;</p> <p>35 (b) iii. the proportion of recycled plastics used (in %) and recyclable plastics (in %) by reference to ESRS E5;</p> <p>35 (b) iv. any metric related to land use and habitat change that may have an impact on water</p>	<p>35 (a) not covered</p> <p>For the links to 35 (b) i-vi, see the mapping to ESRS E1, E2, E4, and E5</p>		<p>GRI recommends reducing the duplication with other environmental standards and to clarify what needs to be reported under this disclosure requirement compared to the other ESRS referenced.</p>

ESRS E3	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>and marine resources by reference to ESRS E4;</p> <p>35 (b) v. its emissions to air, effluents or other entries to water and pollutants to soil and reduction by reference to ESRS E2;</p> <p>35 (b) vi. its GHG emissions and reductions by reference to ESRS E1; and</p> <p>35 (b) vii. the quantity and reduction of material substances of concern (in tons or kilograms) by reference to ESRS E2.</p>			
Taxonomy Regulation for water and marine resources	Not covered		
Disclosure Requirement E3-7 – Potential financial effects from water and marine resources-related impacts, risks and opportunities	Not applicable		
Appendix A: Defined terms			<p>GRI proposes adding a definition for 'marine resources'.</p> <p>GRI proposes aligning the definitions for 'discharge', 'freshwater', 'water consumption', 'water discharge', and 'water withdrawal' with the definitions in GRI 303.</p> <p>GRI's definition of freshwater is 'water with concentration of total dissolved solids equal to or below 1,000 mg/L'.</p> <p>GRI 303 classifies water with concentration of total dissolved solids of more than 1,000 mg/L as 'other water', rather than as 'freshwater'.</p>

ESRS E4 Biodiversity and ecosystems

GRI 304: Biodiversity 2016 is currently undergoing a [revision](#). A mapping for this standard is therefore not provided.

ESRS E4	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050	GRI 304: Biodiversity 2016 is currently undergoing a revision . A mapping for this standard is therefore not provided.		
Disclosure Requirement E4-2 – Policies implemented to manage biodiversity and ecosystems			
Disclosure Requirement E4-3 Measurable targets for biodiversity and ecosystems			The revised GRI Standard for biodiversity is expected to focus on the process for setting goals and targets, in addition to the information on targets required by GRI 303-e-ii.
Disclosure Requirement E4-4 – Biodiversity and ecosystems action plans			The revised GRI Standard for biodiversity is expected to focus on the actions taken by the undertaking in relation to the mitigation hierarchy.
Disclosure Requirement E4-5 Pressure metrics			GRI strongly recommends aligning with the wording of IBPES and SBTN's DPSIR approach. The direct drivers of biodiversity loss considered by GRI reflect those identified through the IPBES global assessment and include land and sea use change, climate change, overexploitation of resources, pollution, and invasive alien species. GRI therefore proposes that Disclosure Requirement E4-5 (paragraph 44) requires the undertaking to report the direct drivers responsible for its most significant actual or potential impacts on biodiversity including but not limited to land and sea use change, climate change, overexploitation of resources, pollution, and invasive alien species.
Disclosure Requirement E4-6 – Impact metrics			

ESRS E4	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement E4-7 – Response metrics –			
Optional Disclosure Requirement E4-8 - Biodiversity-friendly consumption and production metrics			
Taxonomy Regulation for biodiversity and ecosystems			
Optional Disclosure Requirement E4-9 – Biodiversity offsets			By using the direct drivers approach proposed for Disclosure Requirement E4-5, Disclosure Requirements E4-5, E4-6, E4-7 and E 4-9 could be combined into one disclosure requirement focusing on drivers of biodiversity loss.
Disclosure Requirement E4-10 – Potential financial effects from biodiversity-related impacts, risks and opportunities			

ESRS E5 Resource use and circular economy

GRI's general feedback on ESRS E5:

This ESRS covers numerous concepts, such as circular economy principles, the sub-subtopics representing the five stages of circular economy, etc., which are not used consistently and which make the standard complex. For example, the glossary defines circular economy, but paragraph 4 has slightly different information. Some sections refer to circular economy principles and decoupling the economic activity from extraction of natural resources, while others make reference to decoupling economic activity from extraction of non-renewable resources and for regeneration of renewable resources and ecosystems, and others simply refer to resource use and circular economy. GRI recommends aligning, simplifying, and explaining these key concepts together, upfront at the beginning of the standard, and to make clear how the undertaking should report and disclose information on each concept if necessary.

Products and services that leverage from the transition to a circular economy also have social and economic impacts, including impacts on human rights, that are not considered in the disclosures of ESRS E5. It is important that the standard also requires the undertaking to report the actual, potential, negative and positive impacts that models such as pay-per-use, sharing, repairing, and recirculating products have on people and the economy.

ESRS E5 is closely related to other standards such as E1, E3 and E4 and some of the required data may overlap across these standards. For example, the policies to decouple economic activity from the extraction of non-renewable resources and for the regeneration of renewable resources and ecosystems (E5-1) overlaps with E1 and E4 respectively. GRI proposes reviewing these standards to eliminate duplication of content and to clearly state at the beginning of each standard the precise scope of the standard.

ESRS E5	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement E5-1 – Policies implemented to manage resource use and circular economy</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-24 Embedding policy commitments</p> <p><i>GRI 3: Material Topics 2021</i> 3-3 Management of material topics c. describe its policies or commitments regarding the material topic;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require reporting separately the policies to decouple economic activity from extraction of non-renewable resources and for regeneration of renewable resources and ecosystems ESRS require reporting how the policy commitments related to resource use and circular economy are implemented within the undertaking's own operations and the upstream and downstream value chain, while GRI 2-24 requires this information for the policy commitments on responsible business conduct which may include commitments on resource use and circular economy 	<p>Disclosure Requirement E5-1 prescribes the undertaking to disclose separately its policies i) to decouple economic activity from extraction of non-renewable resources and ii) for regeneration of renewable resources and ecosystems. However, Disclosure Requirements ESRS E5-2, E5-3, E5-7 and E5-8, which require information on targets, action plans, strategies and partnerships, do not follow the same structure. They only request information on targets, action plans, strategies and partnerships 'to optimise resource use in creating circular business models' or 'to accelerate the transition from linear to circular economy'. GRI proposes harmonizing these disclosure requirements.</p>
<p>Disclosure Requirement E-2 Measurable targets for resource use and circular economy</p>	<p><i>GRI 3: Material Topics 2021</i> 3-3 Management of material topics e-ii. goals, targets, and indicators used to evaluate progress;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require the undertaking to report on the geographical scope of its targets, while in GRI reporting this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> how material impacts are linked with targets or why a material impact is not covered by a target classifying targets according to different categories (e.g., targets to eliminate waste, targets for circular material use rate) 	
<p>Disclosure Requirement E5-3 – Resource use and circular economy action plans</p>	<p><i>GRI 3: Material Topics 2021</i> 3-3 Management of material topics d. describe actions taken to manage the topic and related impacts, including: i-iii</p> <p><i>GRI 306: Waste 2020</i></p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require reporting on the geographical scope of the actions, while in GRI reporting this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> whether the action plan is a one time initiative or a systematic practice 	<p>GRI recommends adding a requirement for reporting whether waste is managed by a third party, and the processes to determine whether this third party manages waste in line with contractual or legislative obligations, in line with GRI 306-2.</p>

ESRS E5	GRI Standards	Comparison ESRS and GRI	GRI feedback
	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> a list of stakeholders impacted by the action plans and how they are impacted whether the action plan is individual or collective, and for a collective, the undertaking's role and whether the success of it depends on the undertaking's support internal processes: manufacturing and distribution adaptation, development of skills and training, remuneration incentives, innovation and lobbying activities <p>Additions in GRI are:</p> <ul style="list-style-type: none"> whether waste is managed by a third party, and processes to determine whether this third party manages waste in line with contractual or legislative obligations 	
<p>Disclosure Requirement E5-4 – Resource inflows</p> <p>33 (a) the overall total weight of materials used during the reporting period;</p> <p>33 (b) the weight in both absolute value (tons) and percentage of renewable input materials used to manufacture the undertaking's products and services (including packaging);</p> <p>33 (c) the weight in both absolute value (tons) and percentage, of reused or recycled input materials used to package the undertaking's products.</p>	<p><i>GRI 301: Materials 2016</i></p> <p>301-1 Materials used by weight or volume</p> <p>301-2 Recycled input materials used</p> <p>301-3 Reclaimed products and their packaging materials</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires organizations to report a breakdown of total weight of material used by non-renewable materials, renewable materials, and recycled input materials. while ESRS only require information on renewable and reused or recycled input materials GRI 301-2 requires aggregate data on materials used to manufacture the organization's primary products and services including packaging, while ESRS disaggregate information on packaging for reused or recycled input materials <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> how double counting was avoided and choices that were made, where reused, recycled and renewable categories overlap 	<p>GRI strongly recommends aligning Disclosure Requirement E5-4 with GRI 301, by including the disclosures on non-renewable materials used by the undertaking to produce and package its primary products. This is useful to understand the impacts of an organization. It also facilitates tracking the policies and commitments disclosed in Disclosure Requirement E5-2.</p> <p>Paragraph 33b requires information on renewable materials, whereas AG paragraph 16 refers to the use of renewable and reused or recycled materials. In turn, AG 21 requires information on reused or recycled and renewable materials, whereas paragraph 33c only refers to reused or recycled. GRI recommends making the requirements and the AG consistent.</p>
<p>Disclosure Requirement E5-5 – Resource outflows</p>	<p><i>GRI 301: Materials 2016</i></p> <p>301-3 Reclaimed products and their packaging materials</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires data on reclaimed products and their packaging materials for each 	<p>There is some unnecessary repetition between this disclosure requirement and the corresponding application guidance.</p>

ESRS E5	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<p>product category, while ESRS require data on products and materials that come out of the undertaking including packaging that are recirculated in practice after their first use</p> <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> total weight and percentage of materials that come out of the undertaking's products and services production process, including packaging, that have been designed for durability, reusability, repairability, disassembly, remanufacturing or refurbishment, recycling, and other potential optimisation of product and material use total weight and percentage of products containing substances of concern 	
<p>Disclosure Requirement E5-6 – Waste</p> <p>41 (a) the total amount of waste generated;</p> <p>41 (b) for each of hazardous and non-hazardous waste, the amount by weight diverted from disposal by recovery operation type and the total amount summing all three types. The recovery operation types to be reported on are: i) preparation for reuse; ii) recycling; iii) other recovery operations;</p> <p>41 (c) for each of hazardous and non-hazardous waste, the amount by weight averted to disposal by recovery operation type and the total amount summing all three types. The recovery operation types to be reported are: iv) incineration; v)</p>	<p><i>GRI 306: Waste 2020</i></p> <p>306-3 Waste generated</p> <p>306-4 Waste diverted from disposal</p> <p>306-5 Waste directed to disposal</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires data to be reported in metric tons, whereas ESRS require data to be reported in tons ESRS require additional information on how the data has been compiled (AG 32), whereas in GRI reporting this information is optional <p>Additions in GRI are:</p> <ul style="list-style-type: none"> breakdown of total waste generated, waste diverted to disposal, and waste directed to disposal by composition contextual information to understand the data compiled breakdown of total waste diverted from disposal and total waste directed from disposal by onsite and offsite GRI requires to exclude effluent from waste-related data, unless required by national legislation <p>Additions in ESRS are:</p>	<p>GRI recommends aligning Disclosure Requirement E5-6 more closely with the disclosures in GRI 306 which represent best practice for reporting on waste.</p> <p>GRI recommends aligning the terminology 'averted to disposal' in paragraph 41c with the terminology in GRI 306 'directed to disposal'.</p> <p>GRI also recommends including GRI 306-1 to provide information on the inputs, activities and outputs that lead to waste, and whether waste was generated in own activities or in the upstream or downstream value chain.</p>

ESRS E5	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>landfilling; vi) other disposal operations; and</p> <p>41 (d) the total amount and percentage of non-recycled waste.</p> <p>42. The undertaking shall also disclose the total amount of hazardous waste and radioactive waste generated by the undertaking, where radioactive waste is defined in Article 3(7) of Council Directive 2011/70/Euratom.</p>		<ul style="list-style-type: none"> total amount of hazardous waste and radioactive waste generated by the undertaking 	
<p>Disclosure Requirement E5-7 – Resource use optimisation</p>	<p><i>GRI 306: Waste 2020</i></p> <p>306-2 Management of significant waste-related Impacts</p> <p>a. actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> share of net turnover from products and services that leverage the transition to a circular economy through circular business models such as pay-per-use, sharing or repairing services reconciliation of the net turnover reference to the most relevant amount presented in the financial statements 	<p>GRI proposes combining this disclosure requirement with Disclosure Requirement E5-3 to avoid repetition.</p>
<p>Disclosure Requirement E5-8 – Circularity Support</p>	<p><i>GRI 306: Waste 2020</i></p> <p>306-2 Management of significant waste-related Impacts</p> <p>a. actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require specific information on engagement with customers and suppliers, while in GRI reporting this information is optional 	<p>GRI proposes combining this disclosure requirement with Disclosure Requirement E5-3 to avoid repetition.</p> <p>Paragraph 47 (b) and (c) refer to 'circular economy topics', which is not a clear concept and is not referred to in any other part of the standard. Consider replacing 'circular economy topics' for 'circular principles' or specify what circular economy topics mean, and how it differentiates from circular economy principles.</p>
<p>Taxonomy Regulation for the transition to a circular economy (including enabling activities)</p>	<p>Not covered</p>		

ESRS E5	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement E5-9 – Financial effects from resource use and circular economy-related impacts, risks and opportunities	Not applicable		

Social standards

GRI's general feedback on the social standards:

Disclosure requirements S1-1 to S1-6 in ESRS S1 are identical to the disclosure requirements in ESRS S2, S3 and S4. It is unclear why separate standards with identical contents were made for the different stakeholder groups. This creates unnecessary duplication and complexity. It is also not clear why these disclosures are included under the heading of 'General, strategy, governance and materiality assessment' in S2, S3 and S4, but in S1 they are included under the heading of 'Policies, targets, action plans and resources'.

This can be resolved by moving disclosures that are applicable to all stakeholder groups to the cross-cutting standards (e.g., those on policy commitments to respect human rights, grievance mechanisms, stakeholder engagement) and by relocating some of the generic requirements for reporting on policies, targets, and actions to disclosure principles 1-1, 1-2 and 1-3 or by deleting them if they are already covered by the disclosure principles. See also the general feedback provided for ESRS 1 on the status of disclosure principles 1-1, 1-2 and 1-3.

ESRS S1 Own workforce

GRI's general feedback on ESRS S1:

The ESRS define 'own workforce' to include employees and non-employee workers who are either individuals with contracts with the undertaking to supply labour ('self-employed workers') or workers provided by undertakings primarily engaged in 'employment activities' (NACE Code N78). GRI covers employees and workers who are not employees and whose work is controlled by the organization.

The scope of own workforce in the ESRS is too limited and does not reflect undertakings' scope of responsibilities when it comes to workers they engage with.

For example, contractors working on site whose work is controlled by the organization who are not self-employed workers nor workers provided by an undertaking engaged in employment activities would be excluded. The ESRS seem to signal that different expectations apply to these workers compared to self-employed workers for example. In occupational health and safety for example, it is well established through international management system standards that undertakings are accountable to all those workers whose work they control.

There may also be companies that supply workers and which do not classify as undertakings engaged in 'employment activities' as per NACE Code N78.

GRI strongly recommends aligning with GRI's terminology and scope which focuses on the control of work and which has been developed by experts from ILO, IOE and ITUC and has the backing of their institutions and is consistent with well-established practice.

In addition, the scope of the ESRS disclosures is not always clear. In some cases, the scope refers to only employees, in some cases it extends to all stakeholders, and in some cases it includes employees and non-employees. There are also inconsistencies between the main text of a disclosure requirement and the corresponding application guidance regarding the scope of own workers covered. The scope of own workers needs to be clearly stated for each disclosure requirement to avoid confusion and ensure consistent reporting.

The work-related issues listed in paragraph 2 of the Objective section and AG paragraph 12 do not match. In addition, ESRS S1 combines too many topics into one standard. This approach creates a large and complex standard which is not consistent with existing practice nor with the more streamlined approach applied to the environmental standards. GRI recommends splitting this standard

into several ones each covering a single topic (e.g., training and education, occupational health and safety, child labor). Furthermore, each work-related standard could cover the full scope of workers (own workers and other value chain workers), thus making the need for a separate standard on value chain workers redundant.

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure requirement S1-1 – Policies related to own workforce</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-23 Policy commitments: a-d, f</p> <p>2-25 Processes to remediate negative impacts</p> <p style="padding-left: 20px;">a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p style="padding-left: 20px;">c. describe its policies or commitments regarding the material topic;</p> <p><i>GRI 402: Labor/Management Relations 2016</i></p> <p>402-2 Programs for upgrading employee skills and transition assistance programs</p> <p style="padding-left: 20px;">b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • GRI's disclosure on the policy commitment to respect human rights is included in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. In addition, GRI's disclosure has a broader scope on policy commitments for responsible business conduct, including due diligence and the application of the precautionary principle • GRI requires reporting the authoritative intergovernmental instruments that the commitments reference and includes examples of such instruments, while ESRS prescribe reporting against the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles. The AG for this disclosure requirement require undertakings to report against other international instruments • ESRS require more detailed information under the AG on the policies for specific work-related topics (e.g., training and development, working time, work-life balance, privacy) compared to GRI <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> • significant changes to the policies adopted during the reporting period 	<p>ESRS S1 covers own workforce, however, paragraph 18 (a) & (c) covers all stakeholders. GRI proposes that disclosures that address all stakeholders should be included in the cross-cutting standards instead of ESRS S1. This will help reduce the unnecessary duplication of these contents across the social standards.</p> <p>The disclosure requirement on the undertaking's policy commitment to respect human rights as required by 18(a) should be moved to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to report and which cannot be subjected to an undertaking's materiality assessment. This disclosure requirement should also be further aligned with GRI's disclosures.</p> <p>ESRS S1-1 should not require organizations to report against specific international instruments. This would make reporting too prescriptive. Instead GRI recommends that ESRS shall require undertakings to report the authoritative intergovernmental instruments that the policy commitments reference without prescribing specific instruments, in line with GRI 2-23.</p> <p>It is unclear why the AG contains specific requirements on certain topics such as training and development, working time, work-life balance or privacy, but not on other work-related topics. GRI recommends reviewing this for consistency and converting some of these contents into standalone disclosure requirements where relevant.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	retirement or termination of employment.		
<p>Disclosure requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-29 Approach to stakeholder engagement</p> <p><i>GRI 3: Material Topics 2021</i> 3-1 Process to determine material topics</p> <p><i>GRI 403: Occupational Health and Safety 2018</i> 403-4 Worker participation, consultation, and communication on occupational health and safety</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the approach to stakeholder engagement (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on engagement for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply GRI has a specific disclosure on worker participation, consultation, and communication on occupational health and safety covering more specific information, such as the use of formal joint management-worker health and safety committees ESRS require more detailed information on the engagement (e.g., type of engagement, frequency of engagement), while in GRI this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> what role or function has responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach any Framework Agreement or other agreements that the undertaking has with workers' representatives related to the respect of human rights of its own workforce how the effectiveness of and, where relevant, outcomes and agreements from engagements are monitored how agreements with national, European or international trade unions or works councils help the undertaking to gain an understanding of workers' perspectives <p>Additions in GRI are:</p>	<p>GRI proposes that generic requirements for reporting on engagement be consolidated in ESRS 2, in order to avoid unnecessary duplication of these contents across the social standards and because this information is crucial and cannot be subjected to an organization's materiality assessment.</p> <p>Further, AG paragraphs 33, 35, 36, 37, 39, and 41 are repetitive of the main text of Disclosure Requirement S1-2 and GRI proposes to delete them to avoid confusion in reporting.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> how meaningful engagement with stakeholders is ensured 	
<p>Disclosure requirement S1-3 – Channels for own workers and workers’ representatives to raise concerns</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-25 Processes to remediate negative impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the processes to remediate negative impacts (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on these channels for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply GRI uses the term ‘grievance mechanisms’ whereas the ESRS use the term ‘channels’. Further, GRI uses the term ‘grievances’ and the ESRS use the term ‘concerns’ or ‘needs’ ESRS require more detailed information on the channels (e.g., intended purpose and users, how the mechanisms operate and who administers them), while in GRI this information is optional <p>Additions in GRI are:</p> <ul style="list-style-type: none"> how the stakeholders who are intended users of the grievance mechanisms are involved in the design, review, operation and improvement of these mechanisms 	<p>GRI recommends to align the terminology and requirements of this disclosure requirement with GRI 2-25, which has been developed in line with the UN Guiding Principles and OECD guidance.</p> <p>In addition, GRI proposes relocating this disclosure requirement to ESRS 2, in line with GRI’s approach, as this is essential information all undertakings should be required to provide and which cannot be subjected to an undertaking’s materiality assessment. This will also help reduce the unnecessary duplication of these contents across the social standards.</p>
<p>Disclosure Requirement S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing risks and opportunities</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p> <p>f. describe how engagement with stakeholders has informed the actions</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on the targets (e.g., the process for setting targets, standards or commitments on which the targets are based), while in GRI this information is recommended 	

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>taken (3-3-d) and how it has informed whether the actions have been effective</p>		
<p>Disclosure Requirement S1-5 - Taking action on material impacts on own workforce and effectiveness of those actions</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts: i-iii</p> <p>e. report the following information about tracking the effectiveness of the actions taken: i-iv</p> <p><i>GRI 403: Occupational Health and Safety 2018</i></p> <p>403-2 Hazard identification, risk assessment, and incident investigation</p> <p><i>GRI 404: Training and Education 2016</i></p> <p>404-2 Programs for upgrading employee skills and transition assistance programs</p> <p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on the actions (e.g., internal functions involved in managing the impact, resources allocated), while in GRI this information is recommended ESRS require more detailed information under the AG on the policies for specific work-related topics (e.g., forced labour, child labour, privacy) compared to GRI 	<p>It is unclear why the AG contains specific requirements on certain topics such as forced labour, child labour, privacy, training and occupational health and safety, but not on other work-related topics. GRI recommends reviewing this for consistency and converting some of these contents into standalone disclosure requirements where relevant.</p>
<p>Disclosure Requirement S1-6 - Approaches to mitigating risks</p>	<p>Not applicable</p>		

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
and pursuing material opportunities related to own workforce			
Disclosure Requirement S1-7 – Characteristics of the undertaking's employees	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-7 Employees</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require undertakings to report the total number of employees and a breakdown by country for countries in which the undertaking has 50 or more employees (51-a-i). GRI requires organizations to report the total number of employees, and a breakdown of this total by gender and by region. In GRI, a region can refer to a country or other geographic locations, such as a city or a world region ESRS 51-a ii-vi require a breakdown by gender and for each of the items required by 51-a ii-vi, ESRS also require a breakdown by country for those countries in which 10% or more of the undertaking's employees are located. GRI requires a breakdown of this data by gender and by region Where data is not available for detailed information, the ESRS require approximating the data and stating this. In GRI, when data is unavailable or incomplete for this disclosure, organizations are allowed to provide a reason for omission or they can report estimates and explain this <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> cross-referencing of the information reported under 51-a-i and the average number of employees to the most representative number in the financial statements 	<p>GRI recommends moving Disclosure Requirement S1-7 to the cross-cutting standards (ESRS 2), in line with GRI's approach, and to further align it with GRI 2-7. This basic information is of relevance not only for the social standards and should therefore be discussed in the cross-cutting standards.</p> <p>Applying a threshold of 50 employees for certain country breakdowns and a threshold of 10% of employees for others is confusing. It is also not clear how the 10% is to be calculated, i.e., whether 10% of the total number or of each type. Further, it is not clear whether the breakdowns cover EU countries only or all countries. GRI recommends to align with GRI 2-7 when it comes to regional breakdowns.</p> <p>GRI also recommends requiring the total number of employees by gender, in line with GRI 2-7.</p> <p>Requirement 51 (e) is unclear and there is no guidance on how to report this requirement. GRI recommends providing additional guidance in the AG.</p>
Disclosure Requirement S1-8 – Characteristics of non-employee workers in the undertaking's own workforce	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-8 Workers who are not employees</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI covers workers who are not employees and whose work is controlled by the organization. ESRS cover non-employee workers who are defined as either individuals with contracts with the undertaking to supply labour (self-employed 	<p>GRI recommends moving Disclosure Requirement S1-8 to the cross-cutting standards (ESRS 2), in line with GRI's approach, and to further align it with GRI 2-8. This basic information is of relevance not only for the social standards and should therefore be discussed in the cross-cutting standards.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<p>workers) or workers provided by undertakings primarily engaged in employment activities</p> <ul style="list-style-type: none"> Where data is not available for detailed information, ESRS require approximating the data and stating this. In GRI, when data is unavailable or incomplete for this disclosure, organizations are allowed to provide a reason for omission or they can report estimates and explain this ESRS require reporting whether the undertaking engages the non-employee workers directly (as self-employed contractors) or indirectly through a third party and how the undertaking defines full-time employment. In GRI, reporting this is either recommended or optional but not required 	<p>GRI strongly recommends aligning the definition of non-employee workers with the definition in GRI 2-8. See the general feedback provided at the start of this section for more information.</p> <p>GRI recommends making AG paragraph 101 a recommendation, in line with GRI.</p>
<p>Disclosure Requirement S1-9 – Training and Skills Development Indicators</p>	<p><i>GRI 404: Training and Education 2016</i></p> <p>404-1 Average hours of training per year per employee</p> <p>404-3 Percentage of employees receiving regular performance and career development reviews</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI 404 only covers employees, while ESRS covers both employees and non-employees When providing a breakdown by employee categories, ESRS require presenting a category for executive and non-executive employees at a minimum, while in GRI the organization is free to define the employee categories <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> average expenses on training per full-time employment for the reporting year reconciliation of total expenses with the financial statements <p>Additions in GRI are:</p> <ul style="list-style-type: none"> breakdown by gender of the percentage of employees receiving regular performance and career development reviews 	<p>In keeping with the equal opportunities objective of the ESRS, GRI recommends that ESRS S1-9 paragraph 57 (a) also require reporting a gender breakdown and to align it with GRI 404-3-a. Disaggregating data by gender is crucial. This is important to understand whether women, for example, have the same opportunities as men when it comes to accessing senior management roles at work.</p>
<p>Disclosure Requirement S1-10 – Coverage of the health and safety management system</p>	<p><i>GRI 403: Occupational Safety and Health 2018</i></p> <p>403-1 Occupational health and safety management system</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI covers employees and workers who are not employees but whose work and/or workplace is controlled by the organization. ESRS cover only employees. GRI 403-8-a requires organizations 	<p>The scope of this disclosure requirement is not clear as the main text refers to employees while the AG refers to own workers. GRI proposes aligning the scope of this disclosure requirement with GRI 403-1 and GRI 403-8, to also cover workers who are not employees but whose work and/or workplace is controlled by the organization, which is in line with established practice.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>403-8 Workers covered by an occupational health and safety management system</p>	<p>to report the absolute numbers as well as percentages</p> <ul style="list-style-type: none"> GRI requires reporting the number and percentage of employees and workers who are not employees who are covered by a management system that has been internally audited as well as audited or certified by an external party, while in the ESRS this information is not required <p>Additions in GRI are:</p> <ul style="list-style-type: none"> whether the occupational health and safety management system has been implemented because of legal requirements, and if so, a list of the requirements the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered whether and, if so, why any workers have been excluded from the data, including the types of worker excluded any contextual information necessary to understand how the data has been compiled 	<p>GRI recommends further alignment with GRI 403-1 and GRI 403-8 (e.g., reporting absolute numbers along with percentages, reporting on the use of internal and external audit).</p>
<p>Disclosure Requirement S1-11 – Performance of the health and safety management system</p>	<p><i>GRI 403: Occupational Health and Safety 2018</i></p> <p>403-9 Work-related injuries</p> <p>403-10 Work-related ill health</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS cover own workers. GRI covers employees and workers who are not employees but whose work and/or workplace is controlled by the organization ESRS require data for all own workers combined, while GRI requires data to be disaggregated by employees and by workers who are not employees but whose work and/or workplace is controlled by the organization ESRS state that fatalities may be reported separately for those resulting from work-related injuries and those resulting from work-related ill health, while GRI requires this separation 	<p>GRI proposes that Disclosure Requirement S1-11 be further aligned with the format and content of GRI 403-9 and GRI 403-10.</p> <p>For example, the breakdown of injuries and ill health by employees and non-employees is important to understand if injuries and ill health are more prevalent for non-employees compared to employees, as non-employees often lack training and are not subject to the same health and safety standards as employees.</p> <p>In addition, GRI proposes requiring the number and rate of high-consequence work-related injuries (excluding fatalities) in line with GRI 403-9. Lost days is essentially a productivity measure and relevant from a financial materiality perspective. But it does not necessarily indicate the extent of harm suffered by a worker, as in some cases, a worker might return to work before full</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> GRI allows rates to be calculated based on 200,000 or 1,000,000 hours worked, while ESRS require using 1,000,000 hours worked <p>Additions in GRI are:</p> <ul style="list-style-type: none"> number and rate of high-consequence work-related injuries (excluding fatalities) main types of work-related injury number of hours worked work-related hazards that pose a risk of high-consequence injury and ill health, including: how these hazards have been determined, which of these hazards have caused or contributed to high-consequence injuries or ill health during the reporting period, and actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls whether and, if so, why any workers have been excluded from the data, including the types of worker excluded any contextual information necessary to understand how the data has been compiled <p>Further, GRI contains additional disclosures on OSH, such as 403-3, 403-4, 403-5, 403-6, that are not included in the ESRS.</p> <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health 	<p>recovery. From an impact materiality perspective, 'recovery time' is the criterion to use to understand the severity of an injury. The GRI measure of high-consequence work-related injuries is based on recovery time.</p>
Optional Disclosure – Disclosure Requirement S1-12 – Working Hours	Not covered		GRI recommends providing the reason for making this an optional disclosure.
Disclosure Requirement S1-13 – Work-Life Balance Indicators	GRI 401: <i>Employment 2016</i> 401-3 Parental leave	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires absolute data, while ESRS require percentages ESRS use the term family-related leave which includes maternity leave, paternity leave, parental leave and carers' leave. GRI refers only to parental leave 	<p>GRI proposes that Disclosure Requirement S1-13 include the additional disclosures from 401-3.</p> <p>The calculations in AG paragraph 136 only refer to parental leave and not other forms of family-related leave. AG 137 also refers to parental leave only. Further, these paragraphs use the term workers whereas the main disclosure text uses the term employees. GRI</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> whether the undertaking has considered the average number of workers in the reporting period, the total number of workers during the reporting period or the total number of workers at year-end, and whether it has used FTE or Headcounts for the calculation <p>Additions in GRI are:</p> <ul style="list-style-type: none"> total number of employees that returned to work in the reporting period after parental leave ended, by gender total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender 	<p>recommends aligning the AG with the main disclosure text of this disclosure requirement.</p> <p>For the calculations in paragraph 69, it is not clear if the data should be disaggregated by different types of leave.</p>
Disclosure Requirement S1-14 – Fair remuneration	Not covered	GRI does not require the percentage of own workers whose wage is below the fair wage and the name of the countries in which the lowest wage for their own workers is below the fair wage as in Disclosure Requirement S1-14. GRI 202-1 requires the ratios of standard entry level wage by gender compared to local minimum wage, which can provide relevant information as input for calculating the information required by S1-14.	GRI recommends to use terminology consistently, i.e., wage vs remuneration.
Disclosure Requirement S1-15 – Social security eligibility coverage	Not covered	GRI does not require the percentage of own workers eligible for social security as in Disclosure Requirement S1-15. GRI 401-2 requires reporting the benefits (e.g., life insurance, health care, disability and invalidity coverage, retirement provision) which are standard for full-time employees but which are not provided to temporary or part-time employees, by significant locations of operation, which can provide relevant information as input for calculating the information required by S1-15.	GRI recommends that this disclosure requirement requires a breakdown by type of coverage and access by type of worker, as one total percentage does not provide meaningful information.
Disclosure Requirement S1-16 – Pay gap between women and men	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires reporting basic salary and remuneration, while ESRS require reporting gross hourly earnings GRI requires reporting this information for each employee category by significant locations of 	A global figure to show the pay gap between male and female employees is not meaningful. The objective as stated in the introduction of the standard is to understand whether there is equal pay for work of equal value. Therefore, GRI recommends breaking down the global figure by employee category and by significant locations of operation in line with GRI.

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>topic and related impacts: i-iii</p> <p><i>GRI 405: Diversity and Equal Opportunity 2016</i></p> <p>405-2 Ratio of basic salary and remuneration of women and men</p>	<p>operation, while ESRS require one global total figure</p> <ul style="list-style-type: none"> ESRS require reporting this data for the previous two reporting periods, while GRI recommends but does not require this <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> any contextual information necessary to understand the data and how the data has been compiled 	<p>The components of gross hourly earnings are not clear, i.e., whether it includes only basic salary or other remuneration as well. GRI proposes to align with the terminology and definitions of GRI 405-1.</p> <p>GRI recommends deleting paragraph 81 (b) on the actions taken to reduce the pay gap as it is duplicative of S1-5.</p>
<p>Disclosure Requirement S1-17 – Annual total compensation ratio</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-21 Annual total compensation ratio</p>		
<p>Disclosure Requirement S1-18 – Discrimination incidents related to equal opportunities</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-25 Processes to remediate negative impacts</p> <p>2-27 Compliance with laws and regulations</p> <p><i>GRI 406: Non-discrimination 2016</i></p> <p>406-1 Incidents of discrimination and corrective actions taken</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS explicitly include sexual and non-sexual harassment GRI refers to relevant ILO instruments to define the scope of discrimination - International Labour Organization (ILO), Report I(B) - Equality at work: The continuing challenge - Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, 2011 ESRS require reporting total amount of fines, penalties and compensation for damages as a result of violations regarding own workers' equal opportunities rights. GRI 2-27 also requires the total number and the monetary value of fines – however, its scope is broad and includes instances of non-compliance with all laws and regulations combined <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> number of incidents of discrimination leading to financial sanctions reconciliation of monetary amounts disclosed with financial statements 	<p>GRI recommends aligning the definition of discrimination with the ILO instruments referenced in the GRI Standards - <i>According to ILO instruments, discrimination can occur on the grounds of race, colour, sex, religion, political opinion, national extraction, and social origin. Discrimination can also occur based on factors such as age, disability, migrant status, HIV and AIDS, gender, sexual orientation, genetic predisposition, and lifestyles, among others.</i></p> <p>GRI suggests to delete paragraph 88 (a) and (d) on grievance mechanisms, to avoid duplication with Disclosure Requirement S1-3.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> any contextual information necessary to understand the data and how such data has been compiled 	
Disclosure Requirement S1-19 – Employment of persons with disabilities	Not covered	GRI does not require this information, but it can be reported under GRI 405-1, which requires reporting the percentage of individuals within the organization's governance bodies and employees by relevant indicators of diversity, which can include persons with disabilities.	
Disclosure Requirement S1-20 – Differences in the provision of benefits to employees with different employment contract types	<p><i>GRI 401: Employment 2016</i></p> <p>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires information on benefits by significant locations of operation and the organization is free to define 'significant locations of operation'. ESRS require undertakings to report the information for countries which have significant employment (at least 50 employees) and where there are differences in the provision of benefits based on employment contract type ESRS cover family-related leave while GRI covers parental leave <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> ESRS also cover employees with non-guaranteed hour contracts ESRS list an additional benefit: training and skills development 	GRI recommends using significant locations of operation in line with GRI.
Disclosure Requirement S1-21 – Grievances and complaints related to other work-related rights	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-25 Processes to remediate negative impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require reporting the number of grievances, while in GRI reporting this information is optional 	<p>GRI recommends deleting paragraph 100(a) on the presence of grievance mechanisms, as it is duplicative of Disclosure Requirement S1-3.</p> <p>Reporting the number of grievances alone does not provide meaningful information. Quantitative data, such as the number of grievances, is unlikely to be sufficient on its own. For example, a low number of grievances could indicate that few incidents have occurred, but it could also signal that their intended users do not trust the mechanisms. GRI recommends deleting this disclosure requirement and focusing on describing the grievance mechanisms and the quality of these mechanisms in S1-3.</p>

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement S1-22 – Collective bargaining coverage	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-30 Collective bargaining agreements</p>	<p>Additions in ESRS are:</p> <ul style="list-style-type: none"> the extent to which the working conditions and terms of employment of non-employee workers in own workforce are determined or influenced by collective bargaining agreements a breakdown of the collective bargaining coverage rate for employees for each country in which the undertaking has significant employment 	<p>GRI recommends moving this disclosure requirement to ESRS 2 (cross-cutting standard), in line with GRI's approach.</p>
Disclosure Requirement S1-23 – Work stoppages	Not covered		
Disclosure Requirement S1-24 – Social dialogue	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-9 Governance structure and composition</p> <p>c-viii. stakeholder representation.</p> <p><i>GRI 402: Labor/Management Relations 2016</i></p> <p>402-1 Minimum notice periods regarding operational changes</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require reporting if any workers' representatives are included in the administrative, management and supervisory bodies. GRI requires reporting the composition of the highest governance body and its committees by stakeholder representation, which can include workers' representatives ESRS require information on minimum notice periods regarding operational changes only for operations outside EEA countries <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> percentage of own workforce represented at the establishment level by workers' representatives, for each EEA country in which the undertaking has significant employment existence of any agreement with its workforce for representation by a European Works Council (EWC), an Societas Europaea (SE) Works Council, or an Societas Cooperativa Europaea (SCE) Works Council description of the rights, selection process and number of workers' representatives in the bodies, if any workers' representatives are included in the administrative, management and supervisory bodies 	

ESRS S1	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> whether significant reorganisation events which trigger information and consultation rights for workers in the EU labour law acquis and/or national legislation took place and, if so, how these information and consultation rights were respected in each case 	
Disclosure Requirement S1-25 – Identified cases of severe human rights issues and incidents	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-27 Compliance with laws and regulations</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>a: describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI requires a description of the impacts, whereas ESRS require quantitative information on the number of human rights issues and incidents ESRS require reporting total amount of fines, penalties and compensation for damages as a result of violations regarding own workers' equal opportunities rights. GRI 2-27 also requires the total number and the monetary value of fines – however, its scope is broad and includes instances of non compliance with all laws and regulations combined <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> reconciliation of monetary amounts disclosed with the most relevant amount presented in the financial statements 	<p>GRI recommends to delete this disclosure requirement as it is duplicative of Disclosure Requirement 2-IRO 2 in ESRS 2, which already requires a description of actual negative impacts on people which are the outcome of an assessment based on severity. If the aim for this disclosure requirement is to cover the topics of forced labor, human trafficking and child labor specifically (as AG paragraph 167 seems to suggest), as opposed to human rights issues more generally, then GRI proposes aligning with GRI 408-1 and 409-1.</p> <p>In addition, paragraph 114 on fines is duplicative of paragraph 89 in Disclosure Requirement S1-18.</p>
Disclosure requirement S1-26 – Privacy at work	Not covered		

ESRS S2 Workers in the value chain

GRI's general feedback on ESRS S2:

See the general feedback for ESRS S1 on the scope of workers and on the structure of S1 and S2.

The scope of work-related topics included in this standard is not clear. The topics outlined in paragraph 2 of the Objective section (page 6) of ESRS S1 are different from the ones outlined in paragraph 2 of the Objective section (page 4) of ESRS S2. GRI recommends aligning this and providing a clear explanation of the scope of ESRS S2.

ESRS S2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement S2-1 – Policies related to value chain workers</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-23 Policy commitments: a-d, f</p> <p>2-25 Processes to remediate negative impacts</p> <p>a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p> <p>c. describe its policies or commitments regarding the material topics</p> <p><i>GRI 414: Supplier Social Assessment 2016</i></p> <p>414-2 Negative social impacts in the supply chain and actions taken</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI's disclosure on the policy commitment to respect human rights is included in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. In addition, GRI's disclosure has a broader scope on policy commitments for responsible business conduct, including due diligence and the application of the precautionary principle GRI requires reporting the authoritative intergovernmental instruments that the commitments reference and includes examples of such instruments, while ESRS prescribe reporting against the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles. The AG for this disclosure requirement require undertakings to report against other international instruments 	<p>ESRS S2 covers workers in the value chain, however, paragraph 15 (a) & (c) covers all stakeholders. GRI proposes that disclosures that address all stakeholders should be included in the cross-cutting standards instead of ESRS S2. This will help reduce the unnecessary duplication of these contents across the social standards.</p> <p>The disclosure requirement on the undertaking's policy commitment to respect human rights as required by 15(a) should be moved to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to report and which cannot be subjected to an undertaking's materiality assessment. This disclosure requirement should also be further aligned with GRI's disclosures.</p> <p>ESRS S2-1 should not require organizations to report against specific international instruments. This would make reporting too prescriptive. Instead GRI recommends that ESRS shall require undertakings to report the authoritative intergovernmental instruments that the policy commitments reference without prescribing specific instruments, in line with GRI 2-23.</p> <p>It is not clear why issues and incidents should be reported in the context of reporting policies (as per AG paragraph 23). These are already required to be reported under Disclosure Requirement 2-IRO 2 in ESRS 2. GRI recommends deleting AG paragraph 23.</p>

ESRS S2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-29 Approach to stakeholder engagement</p> <p><i>GRI 3: Material Topics 2021</i> 3-1 Process to determine material topics</p> <p>a. describe the process it has followed to determine its material topics, including: i-ii</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the approach to stakeholder engagement (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on engagement for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply ESRS require more detailed information on the engagement (e.g., type of engagement, frequency of engagement), while in GRI this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> what role or function has responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach how agreements with a global union related to the rights of value chain workers help it to gain an understanding of those workers' perspectives how the effectiveness of and, where relevant, outcomes and agreements from engagements are monitored <p>Additions in GRI are:</p> <ul style="list-style-type: none"> how meaningful engagement with stakeholders is ensured 	<p>GRI proposes that generic requirements for reporting on engagement be consolidated in ESRS 2, in order to avoid unnecessary duplication of these contents across the social standards and because this information is crucial and cannot be subjected to an organization's materiality assessment.</p> <p>Further, there is some unnecessary duplication between the AG paragraphs and the main text of the disclosure requirement.</p>
<p>Disclosure Requirement S2-3 – Channels for value chain workers to raise concerns</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-25 Processes to remediate negative impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the processes to remediate negative impacts (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on these channels for different stakeholder groups (e.g., own workforce, 	<p>GRI recommends to align the terminology and requirements of this disclosure requirement with GRI 2-25, which has been developed in line with the UN Guiding Principles and OECD guidance.</p> <p>In addition, GRI proposes relocating this disclosure requirement to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to provide and which cannot be subjected to an undertaking's materiality assessment. This will also help</p>

ESRS S2	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<p>workers in the value chain, affected communities) and materiality judgements apply</p> <ul style="list-style-type: none"> • GRI uses the term 'grievance mechanisms' whereas the ESRS use the term 'channels'. Further, GRI uses the term 'grievances' and the ESRS use the term 'concerns' or 'needs' • ESRS require more detailed information on the channels (e.g., intended purpose and users, how the mechanisms operate and who administers them), while in GRI this information is optional <p>Additions in GRI are:</p> <ul style="list-style-type: none"> • how the stakeholders who are intended users of the grievance mechanisms are involved in the design, review, operation and improvement of these mechanisms 	<p>reduce the unnecessary duplication of these contents across the social standards.</p>
<p>Disclosure Requirement S2-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p> <p>f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require more detailed information on the targets (e.g., the process for setting targets, standards or commitments on which the targets are based), while in GRI this information is recommended 	
<p>Disclosure Requirement S2-5 – Taking action on material impacts on value chain workers and effectiveness of those actions</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require more detailed information on the actions (e.g., internal functions involved in managing the impact, resources allocated), while in GRI this information is recommended 	

ESRS S2	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>topic and related impacts: i-iii</p> <p>e. report the following information about tracking the effectiveness of the actions taken: i-iv</p>		
Disclosure Requirement S2-6 – Approaches to mitigating material risks and pursuing material opportunities related to value chain workers	Not applicable		
Appendix A: Defined terms			The definition of 'affected stakeholders' is not consistent with the definition included in ESRS 1 (paragraph 44a).

ESRS S3 Affected communities

ESRS S3	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement S3-1: Policies related to affected communities	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-23 Policy commitments: a-d, f</p> <p>2-25 Processes to remediate negative impacts</p> <p>a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</p> <p><i>GRI 3: Material topics 2021</i></p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI's disclosure on the policy commitment to respect human rights is included in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. In addition, GRI's disclosure has a broader scope on policy commitments for responsible business conduct, including due diligence and the application of the precautionary principle GRI requires reporting the authoritative intergovernmental instruments that the commitments reference and includes examples of such instruments, while ESRS prescribe reporting against the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles. The AG for this disclosure 	<p>ESRS S3 covers affected communities, however, paragraph 14 (a) & (c) covers all stakeholders. GRI proposes that disclosures that address all stakeholders should be included in the cross-cutting standards instead of ESRS S3. This will help reduce the unnecessary duplication of these contents across the social standards.</p> <p>The disclosure requirement on the undertaking's policy commitment to respect human rights as required by 14(a) should be moved to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to report and which cannot be subjected to an undertaking's materiality assessment. This disclosure requirement should also be further aligned with GRI's disclosures.</p> <p>ESRS S3-1 should not require organizations to report against specific international instruments. This would make reporting too prescriptive. Instead GRI</p>

ESRS S3	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>3-3 Management of material topics</p> <p>a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p> <p>c. describe its policies or commitments regarding the material topics</p> <p><i>GRI 411: Rights of Indigenous Peoples 2016</i></p> <p>411-1 Incidents of violations involving rights of indigenous peoples</p> <p><i>GRI 413: Local Communities 2016</i></p> <p>413-2 Operations with significant actual and potential negative impacts on local communities</p>	<p>requirement require undertakings to report against other international instruments</p> <ul style="list-style-type: none"> ESRS require disclosing severe human rights issues and incidents connected to affected communities. GRI 411-1 and 413-2 require information on incidents and impacts involving indigenous peoples and local communities respectively 	<p>recommends that ESRS shall require undertakings to report the authoritative intergovernmental instruments that the policy commitments reference without prescribing specific instruments, in line with GRI 2-23.</p> <p>It is not clear why issues and incidents should be reported in the context of reporting policies (as per AG paragraph 21). These are already required to be reported under Disclosure Requirement 2-IRO 2 in ESRS 2. GRI recommends deleting AG paragraph 21.</p>
<p>Disclosure Requirement S3-2 – Processes for engaging with affected communities about impacts</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-29 Approach to stakeholder engagement</p> <p><i>GRI 3: Material topics 2021</i></p> <p>3-1 Process to determine material topics</p> <p>a: describe the process it has followed to</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the approach to stakeholder engagement (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on engagement for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply 	<p>GRI proposes that generic requirements for reporting on engagement be consolidated in ESRS 2, in order to avoid unnecessary duplication of these contents across the social standards and because this information is crucial and cannot be subjected to an organization's materiality assessment.</p> <p>GRI recommends deleting AG paragraphs 27, 29, 30, and 31 as they contain duplicative content covered in the main disclosure text.</p>

ESRS S3	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>determine its material topics, including: i-ii</p>	<ul style="list-style-type: none"> ESRS require more detailed information on the engagement (e.g., type of engagement, frequency of engagement), while in GRI this information is optional <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> what role or function has responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach how the effectiveness of and, where relevant, outcomes and agreements from engagements are monitored <p>Additions in GRI are:</p> <ul style="list-style-type: none"> how meaningful engagement with stakeholders is ensured <p>The information required by GRI 413-1 (Operations with local community engagement, impact assessments, and development programs) can be used as input for reporting against Disclosure Requirement S3-2.</p>	
<p>Disclosure Requirement S3-3 – Channels for affected communities to raise concerns</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-25 Processes to remediate negative impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the processes to remediate negative impacts (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on these channels for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply GRI uses the term 'grievance mechanisms' whereas the ESRS use the term 'channels'. Further, GRI uses the term 'grievances' and the ESRS use the term 'concerns' or 'needs' ESRS require more detailed information on the channels (e.g., intended purpose and users, how the mechanisms operate and who administers them), while in GRI this information is optional 	<p>GRI recommends to align the terminology and requirements of this disclosure requirement with GRI 2-25, which has been developed in line with the UN Guiding Principles and OECD guidance.</p> <p>In addition, GRI proposes relocating this disclosure requirement to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to provide and which cannot be subjected to an undertaking's materiality assessment. This will also help reduce the unnecessary duplication of these contents across the social standards.</p>

ESRS S3	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<p>Additions in GRI are:</p> <ul style="list-style-type: none"> • how the stakeholders who are intended users of the grievance mechanisms are involved in the design, review, operation and improvement of these mechanisms <p>The information required by GRI 413-1 (Operations with local community engagement, impact assessments, and development programs) can be used as input for reporting against Disclosure Requirement S3-3.</p>	
<p>Disclosure Requirement S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p> <p>f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require more detailed information on the targets (e.g., the process for setting targets, standards or commitments on which the targets are based), while in GRI this information is recommended 	
<p>Disclosure Requirement S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions</p>	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts: i-iii</p> <p>e. report the following information about tracking the</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require more detailed information on the actions (e.g., internal functions involved in managing the impact, resources allocated), while in GRI this information is recommended 	

ESRS S3	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>effectiveness of the actions taken: i-iv</p> <p><i>GRI 203: Indirect Economic Impacts 2016</i></p> <p>203-1 Infrastructure investments and services supported</p> <p><i>GRI 413: Local Communities 2016</i></p> <p>413-1 Operations with local community engagement, impact assessments, and development programs</p> <p><i>GRI 411: Rights of Indigenous Peoples 2016</i></p> <p>411-1 Incidents of violations involving rights of indigenous peoples</p>		
Disclosure Requirement S3-6 – Approaches to mitigating risks and pursuing material opportunities related to affected communities	Not applicable		
Appendix A: Defined terms			<p>ESRS S3 uses the term affected communities to also include indigenous peoples. However, indigenous peoples are not referred to in the definition of 'affected communities'.</p> <p>The definition of 'affected communities' in Appendix A is GRI's definition of 'local communities'. GRI proposes changing the term accordingly, and to clarify that affected communities include both local communities and indigenous peoples.</p>

ESRS S4 Consumers and end-users

ESRS S4	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement S4-1 – Policies related to consumers and end-users</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-23 Policy commitments: a-d, f</p> <p>2-25 Processes to remediate negative impacts</p> <p style="padding-left: 20px;">a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p style="padding-left: 20px;">a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p> <p style="padding-left: 20px;">c. describe its policies or commitments regarding the material topics</p> <p><i>GRI 416: Customer Health and Safety 2016</i></p> <p>416-2 Incidents of non-compliance concerning the</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI's disclosure on the policy commitment to respect human rights is included in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. In addition, GRI's disclosure has a broader scope on policy commitments for responsible business conduct, including due diligence and the application of the precautionary principle GRI requires reporting the authoritative intergovernmental instruments that the commitments reference and includes examples of such instruments, while ESRS prescribe reporting against the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles. The AG for this disclosure requirement require undertakings to report against other international instruments ESRS require disclosing severe human rights issues and incidents connected to consumers and end-users. GRI 416-2, GRI 418-1, GRI 417-2 and GRI 417-3 require information on incidents for specific consumer and end-user related topics 	<p>ESRS S4 covers consumers and end-users, however, paragraph 13 (a) & (c) covers all stakeholders. GRI proposes that disclosures that address all stakeholders should be included in the cross-cutting standards instead of ESRS S4. This will help reduce the unnecessary duplication of these contents across the social standards.</p> <p>The disclosure requirement on the undertaking's policy commitment to respect human rights as required by 13(a) should be moved to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to report and which cannot be subjected to an undertaking's materiality assessment. This disclosure requirement should also be further aligned with GRI's disclosures.</p> <p>ESRS S4-1 should not require organizations to report against specific international instruments. This would make reporting too prescriptive. Instead GRI recommends that ESRS shall require undertakings to report the authoritative intergovernmental instruments that the policy commitments reference without prescribing specific instruments, in line with GRI 2-23.</p> <p>It is not clear why issues and incidents should be reported in the context of reporting policies (as per AG paragraph 19). These are already required to be reported under Disclosure Requirement 2-IRO 2 in ESRS 2. GRI recommends deleting AG paragraph 19.</p>

ESRS S4	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>health and safety impacts of products and services</p> <p><i>GRI 417: Marketing and Labelling 2016</i></p> <p>417-2 Incidents of non-compliance concerning product and service information and labeling</p> <p>417-3 Incidents of non-compliance concerning marketing communications</p> <p><i>GRI 418: Customer Privacy 2016</i></p> <p>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>		
<p>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-29 Approach to stakeholder engagement</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-1 Process to determine material topics</p> <p>a. describe the process it has followed to determine its material topics, including: i-ii</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the approach to stakeholder engagement (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on engagement for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply ESRS require more detailed information on the engagement (e.g., type of engagement, frequency of engagement), while in GRI this information is optional <p>Additions in ESRS are:</p>	<p>GRI proposes that generic requirements for reporting on engagement be consolidated in ESRS 2, in order to avoid unnecessary duplication of these contents across the social standards and because this information is crucial and cannot be subjected to an organization's materiality assessment.</p> <p>Further, there is some unnecessary duplication between the AG paragraphs and the main text of the disclosure requirement.</p>

ESRS S4	GRI Standards	Comparison ESRS and GRI	GRI feedback
		<ul style="list-style-type: none"> what role or function has responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach how the effectiveness of and, where relevant, outcomes and agreements from engagements are monitored <p>Additions in GRI are:</p> <ul style="list-style-type: none"> how meaningful engagement with stakeholders is ensured 	
<p>Disclosure Requirement S4-3 – Channels for consumers and end-users to raise concerns</p>	<p><i>GRI 2: General Disclosures 2021</i> 2-25 Processes to remediate negative impacts</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI has a disclosure on the processes to remediate negative impacts (covering all stakeholders) in its universal/cross-cutting standards, which all organizations are required to report and for which materiality judgements do not apply. The ESRS have several disclosures on these channels for different stakeholder groups (e.g., own workforce, workers in the value chain, affected communities) and materiality judgements apply GRI uses the term 'grievance mechanisms' whereas the ESRS use the term 'channels'. Further, GRI uses the term 'grievances' and the ESRS use the term 'concerns' or 'needs' ESRS require more detailed information on the channels (e.g., intended purpose and users, how the mechanisms operate and who administers them), while in GRI this information is optional <p>Additions in GRI are:</p> <ul style="list-style-type: none"> how the stakeholders who are intended users of the grievance mechanisms are involved in the design, review, operation and improvement of these mechanisms 	<p>GRI recommends to align the terminology and requirements of this disclosure requirement with GRI 2-25, which has been developed in line with the UN Guiding Principles and OECD guidance.</p> <p>In addition, GRI proposes relocating this disclosure requirement to ESRS 2, in line with GRI's approach, as this is essential information all undertakings should be required to provide and which cannot be subjected to an undertaking's materiality assessment. This will also help reduce the unnecessary duplication of these contents across the social standards.</p>
<p>Disclosure Requirement S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and</p>	<p><i>GRI 3: Material Topics 2021</i> 3-3 Management of material topics</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on the targets (e.g., the process for setting targets, 	

ESRS S4	GRI Standards	Comparison ESRS and GRI	GRI feedback
managing material risks and opportunities	<p>e-ii. goals, targets, and indicators used to evaluate progress;</p> <p>f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective</p>	standards or commitments on which the targets are based), while in GRI this information is recommended	
Disclosure Requirement S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts: i-iii</p> <p>e. report the following information about tracking the effectiveness of the actions taken: i-iv</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require more detailed information on the actions (e.g., internal functions involved in managing the impact, resources allocated), while in GRI this information is recommended 	
Disclosure Requirement S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users	Not applicable		

Governance standards

ESRS G1 Governance, risk management and internal control

GRI's general feedback on ESRS G1:

GRI strongly recommends that the disclosure requirements in ESRS G1 be moved into the cross-cutting standard ESRS 2. The information required by these disclosures is essential in order to understand an undertaking's governance and cannot be subjected to an undertaking's materiality assessment. This will also help reduce the duplication of content that currently exists between ESRS 2 and ESRS G1 on governance. GRI also recommends including GRI 2-15 on conflicts of interest in ESRS 2 alongside the other governance disclosures from ESRS G1.

GRI also recommends presenting or grouping similar or related disclosure requirements together, to ease the use of these contents, in line with GRI's approach. For example, Disclosure Requirements G1-1, G1-3, G1-4, and G1-9 which relate to reporting on the structure and composition of the administrative, management and supervisory bodies.

ESRS G1	GRI Standards	Comparison ESRS and GRI	GRI feedback
Disclosure Requirement G1-1 – Governance structure and composition	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-9 Governance structure and composition</p> <p>2-11 Chair of the highest governance body</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require describing the roles and key responsibilities of each of the committees, while GRI requires listing the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people GRI requires reporting the composition of both the highest governance body and each of its committees, while in ESRS it is not clear if the composition (paragraph 14 b-h) also needs to be reported for the committees GRI requires reporting whether the chair is also a senior executive, while this information is suggested but not required in the ESRS <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> identity of members of the governance body working procedures of the committees (e.g., frequency of their meetings, communication lines) 	<p>There is overlap between this disclosure requirement and Disclosure Requirement 2-GOV 1 in ESRS 2. GRI recommends reviewing these contents to avoid duplication.</p>
Disclosure Requirement G1-2 – Corporate governance code or policy	Not covered		<p>Since Art. 20 a) and b) of the Accounting Directive already require listed companies to disclose information about the Corporate Governance policy and code, GRI recommends focusing on the information that cannot be</p>

ESRS G1	GRI Standards	Comparison ESRS and GRI	GRI feedback
			found in the management report to avoid duplication of information and reduce reporting burden or requiring this information only for non-listed companies.
Disclosure Requirement G1-3 – Nomination process	<i>GRI 2: General Disclosures 2021</i> 2-10 Nomination and selection of the highest governance body	Difference in approach: <ul style="list-style-type: none"> GRI requires reporting whether competencies relevant to the impacts of the organization are considered when nominating and selecting highest governance body members, while ESRS focus on competencies relevant to the sector of the undertaking 	GRI recommends aligning more closely with GRI 2-12 regarding the criteria around competencies of governance body members. There is overlap between this disclosure requirement and Disclosure Requirement 2-GOV 1 in ESRS 2. GRI recommends reviewing these contents to avoid duplication.
Disclosure Requirement G1-4 – Diversity policy	<i>GRI 2: General Disclosures 2021</i> 2-10 Nomination and selection of the highest governance body b-ii. diversity <i>GRI 3: Material Topics 2021</i> 3-3 Management of material topics c. describe its policies or commitments regarding the material topic; e-ii. goals, targets, and indicators used to evaluate progress;	Difference in approach: <ul style="list-style-type: none"> ESRS require more detailed information about the nature, scope and implementation of the policies (e.g., legal and regulatory requirements), while in GRI reporting this information is recommended but not required 	Since Art. 20 g) of the Accounting Directive already requires listed companies to disclose information about the Governance diversity policy, GRI recommends focusing on the information that cannot be found in the management report to avoid duplication of information and reduce reporting burden or requiring this information only for non-listed companies. In addition, there is overlap between Disclosure Requirements G1-4, G1-3, and G1-1. GRI recommends removing this disclosure and adding relevant information on diversity under G1-1 and G1-3, in line with GRI 2-9 and 2-10.
Disclosure Requirement G1-5 – Evaluation process	<i>GRI 2: General Disclosures 2021</i> 2-18 Evaluation of the performance of the highest governance body		GRI recommends aligning paragraph 29-c more closely with GRI 2-18-c, to require changes to the composition of the highest governance body and organizational practices in response to the evaluation.
Disclosure Requirement G1-6 – Remuneration policy	<i>GRI 2: General Disclosures 2021</i> 2-19 Remuneration policies a. describe the remuneration policies for members of the highest		GRI recommends restructuring Disclosure Requirement G1-6 into two disclosures (in line with GRI 2-19 and 2-20), to ease the use of these contents.

ESRS G1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	governance body and senior executives, including: i-iv 2-20 Process to determine remuneration		
Disclosure Requirement G1-7 – Risk management processes	Not applicable		<p>The scope of this disclosure requirement is not clear. Paragraph 34 states that it covers risks arising for the undertaking and for the stakeholders, but the rest of the disclosure requirement seems to focus only on risks for the undertaking (e.g., paragraphs 36, AG-16-a).</p> <p>There is also duplication between this disclosure requirement and the disclosure requirements in ESRS 2 and the three disclosure principles from ESRS 1 (1-1, 1-2, and 1-3).</p> <p>In addition, Art. 20 of the Accounting Directive already requires for listed companies to disclose information about the Risk Management process. GRI recommends focusing on the information that cannot be found in the management report to avoid duplication of information and reduce reporting burden or requiring this information only for non-listed companies.</p>
Disclosure Requirement G1-8 – Internal control processes	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-14 Role of the highest governance body in sustainability reporting</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • GRI focuses on internal control for sustainability reporting; it does not cover internal control generally • GRI makes specific reference as to whether the highest governance body also reviews and approves the organization's material topics <p><i>For the oversight of the management of impacts, see the mapping and feedback for Disclosure Requirement 2-GOV 1 of ESRS 2</i></p>	
Disclosure Requirement G1-9 – Composition of the administrative, management and supervisory bodies	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-9 Governance structure and composition</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require reporting the percentage of independent shareholder-elected members, while GRI requires reporting the composition by 	GRI recommends considering additional categories of gender, as the disclosure requirement is currently limited to male and female. GRI also recommends reviewing the

ESRS G1	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>c. describe the composition of the highest governance body and its committees by: i-viii</p> <p>2-10 Nomination and selection of the highest governance body</p> <p>b-i. views of stakeholders (including shareholders);</p> <p><i>GRI 405: Diversity and Equal Opportunity 2016</i></p> <p>405-1 Diversity of governance bodies and employees 2016</p> <p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i-iii</p>	<p>independence and whether the views of shareholders are taken into consideration when nominating and selecting members</p> <ul style="list-style-type: none"> GRI requires reporting the composition by gender as a percentage, while ESRS require reporting a percentage as well as an average ratio GRI specifies the age groups to use (under 30 years old, 30-50 years old, over 50 years old) <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> changes to the composition of the administrative, management and supervisory bodies of the undertaking from the previous reporting period, including with respect to diversity, with the associated reasons 	<p>application guidance for this disclosure requirement as some of it may be superfluous.</p>
<p>Disclosure Requirement G1-10 – Meetings and attendance rate</p>	<p>Not covered</p>		<p>The purpose of Disclosure Requirement G1-10 is unclear and in the current format comes across as incomplete. There is also overlap with Disclosure Requirement G-1-1, paragraph AG 4. GRI proposes that if G1-10 is to remain, it should be expanded to include additional relevant requirements, such as topics discussed at meetings and roles of members in attendance.</p>

ESRS G2 Business conduct

GRI's general feedback on ESRS G2:

The scope of 'business conduct' used in this ESRS is very limited, focusing on business ethics and corporate culture, including anti-corruption and anti-bribery. It is not consistent with the scope of responsible business conduct of key authoritative intergovernmental instruments such as the OECD Guidelines for MNEs, which also include respect for human rights and the environment, employment and industrial relations and consumer interests. GRI strongly recommends that disclosures on general policies and processes (e.g., whistleblowing) for responsible business conduct be moved into the cross-cutting standard ESRS 2, in line with GR's approach, as materiality judgements should not apply to these disclosures. GRI further recommends that these disclosures be further aligned with the disclosures in the GRI Standards, which have been recently revised to be consistent with expectations in authoritative intergovernmental instruments. GRI proposes this ESRS be then limited to anti-corruption and anti-bribery and other practices and be renamed accordingly.

Disclosure requirements that refer to employees and staff should be aligned with the terminology and scope of workers used in the ESRS social standards.

ESRS G2 would benefit from an updated and expanded Glossary to better explain key concepts included in the standard, e.g., business relationships, value chain, business partner. GRI recommends aligning with the definitions included in the GRI Standards Glossary.

ESRS G2	GRI Standards	Comparison ESRS and GRI	GRI feedback
<p>Disclosure Requirement G2-1 – Business conduct culture</p> <p>Disclosure Requirement G2-2 – Policies and targets on business conduct</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-12 Role of the highest governance body in overseeing the management of impacts</p> <p style="padding-left: 20px;">a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;</p> <p>2-23 Policy commitments</p> <p>2-24 Embedding policy commitments</p> <p>2-26 Mechanisms for seeking advice and raising concerns</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> GRI does not use the concept of business conduct 'culture', but includes disclosures on general policy commitments and practices regarding responsible business conduct ESRS require more detailed information on e.g., subjects discussed by the administrative, management and supervisory bodies, specific contractual clauses with the value chain, protection of whistle-blowers, incident investigation, while in GRI this information is optional GRI also covers mechanisms for seeking advice on implementing the organization's policies and practices for responsible business conduct, in addition to mechanisms for reporting concerns <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> policies on anti-corruption or anti-bribery consistent with the United Nations Convention against Corruption <p>Additions in GRI are:</p> <ul style="list-style-type: none"> the authoritative intergovernmental instruments that the commitments reference 	<p>GRI recommends that Disclosure Requirements G2-1 and G2-2 be moved to the cross-cutting standard ESRS 2, in line with GRI's approach.</p> <p>GRI recommends full alignment with GRI 2-23 and GRI 2-24 which have been recently developed in line with the expectations in key authoritative intergovernmental instruments with which the ESRS aim to align with.</p>

ESRS G2	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e. report the following information about tracking the effectiveness of the actions taken: i-iv</p>	<ul style="list-style-type: none"> • whether the commitments stipulate conducting due diligence • whether the commitments stipulate applying the precautionary principle • the specific policy commitment to respect human rights (including the internationally recognized human rights and the categories of stakeholders covered) • links to the policy commitments if publicly available, or, if not publicly available, the reason for this • the extent to which the policy commitments apply to the organization's activities and to business relationships • how responsibility to implement the commitments is allocated across different levels within the organization • how the commitments are integrated into organizational strategies, operational policies, and operational procedures • how commitments are implemented with and through its business relationships 	
<p>Disclosure Requirement G2-3 – Prevention and detection of corruption and bribery</p>	<p><i>GRI 205: Anti-corruption 2016</i></p> <p>205-1 Operations assessed for risks related to corruption</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3: Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts, including: i-iii</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> • ESRS require reporting whether the investigators or investigating committee are separate from the chain of management involved in the matter, while in GRI reporting this information is optional • GRI requires the number of confirmed incidents of corruption, while ESRS require the number of reported allegations of corruption or bribery received through whistleblowing channels and the number of internal investigations launched in response to allegations or incidents relating to corruption or bribery • GRI requires more specific information on the number and percentage of operations assessed for risks related to corruption and the significant risks identified 	<p>GRI recommends moving requirements 24 c and d to Disclosure Requirement G2-6, as they do not strictly conform to the principle of G2-3 which is to provide transparency on the key procedures of the undertaking to prevent, detect, investigate and respond to corruption or bribery-related incidents or allegations.</p> <p>There is duplication between this disclosure requirement (paragraph 25) and Disclosure Requirement G2-2 when it comes to reporting on targets.</p>

ESRS G2	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-16 Communication of critical concerns</p> <p>2-26 Mechanisms for seeking advice and raising concerns</p> <p>a.ii. raise concerns about the organization's business conduct.</p>		
<p>Disclosure Requirement G2-4 – Anti-competitive behaviour prevention and detection</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-16 Communication of critical concerns</p> <p>2-26 Mechanisms for seeking advice and raising concerns</p> <p>a.ii. raise concerns about the organization's business conduct.</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>d. describe actions taken to manage the topic and related impacts, including: i-iii</p> <p>e-ii. goals, targets, and indicators used to evaluate progress;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require reporting whether the investigators or investigating committee are separate from the chain of management involved in the matter, while in GRI reporting this information is optional GRI requires the number of legal actions pending or completed, while ESRS require the number of reported allegations received through whistleblowing channels and the number of internal investigations launched in response to allegations or incidents 	<p>GRI recommends moving requirements 24 c and d (as they refer to G2-4) to Disclosure Requirement G2-7, as they do not strictly conform to the principle of G2-4.</p> <p>There is duplication between this disclosure requirement (paragraph 25) and Disclosure Requirement G2-2 when it comes to reporting on targets.</p>
<p>Disclosure Requirement G2-5 – Anti-corruption and anti-bribery training</p>	<p><i>GRI 2: General Disclosures 2021</i></p> <p>2-24 Embedding policy commitments</p> <p>a-iv. training that the organization provides on</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require the percentage of persons who are most at risk covered by training programmes and an identification or definition of who these are, while GRI requires the number and percentage of all employees and governance 	<p>GRI recommends closer alignment with GRI 205-2.</p>

ESRS G2	GRI Standards	Comparison ESRS and GRI	GRI feedback
	<p>implementing the commitments</p> <p><i>GRI 205: Anti-corruption 2016</i></p> <p>205-2 Communication and training about anti-corruption policies and procedures</p>	<p>body members covered, and a breakdown by employee category and region</p> <ul style="list-style-type: none"> ESRS require more detailed information on e.g., scope and depth of training, assessment methodology, while in GRI this information is optional ESRS require reporting how the undertaking shares the anti-corruption/anti-bribery policy within its value chain and to which members of staff and management this is shared with, while GRI require more specific information on the number and percentage of employees, governance body members, and business partners this is communicated to, broken down by employee category / type of business partner and by region 	
<p>Disclosure Requirement G2-6 – Corruption or bribery events</p>	<p><i>GRI 205: Anti-corruption 2016</i></p> <p>205-3 Confirmed incidents of corruption and actions taken</p> <p><i>GRI 3: Material Topics 2021</i></p> <p>3-3 Management of material topics</p> <p>e-iii. the effectiveness of the actions, including progress toward the goals and targets;</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require reporting insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery, which can be reported under GRI 3-3-e-iii 	<p>GRI recommends closer alignment with the structure and wording of GRI 205-3.</p>
<p>Disclosure Requirement G2-7 – Anti-competitive behaviour events</p>	<p><i>GRI 206: Anti-competitive Behavior 2016</i></p> <p>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> ESRS require additional disclosure on investigations into and decisions relating to violations of anti-trust and monopoly legislation where the undertaking (or its subsidiaries) was named as a participant by a competent authority. GRI requires reporting on legal actions (number and outcomes) only and does not cover 	

ESRS G2	GRI Standards	Comparison ESRS and GRI	GRI feedback
		other investigations into anti-competitive behavior by the undertaking	
Disclosure Requirement G2-8 – Beneficial ownership	Not covered		
Disclosure Requirement G2-9 – Political engagement and lobbying activities	<p><i>GRI 2: General Disclosures 2021</i> 2-28 Membership associations</p> <p><i>GRI 415: Public Policy 2016</i> 415-1 Political contributions</p>	<p>Difference in approach:</p> <ul style="list-style-type: none"> For political engagement, lobbying or advocacy activities, the ESRS require reporting the main topics covered by such activities and the undertaking's main positions on these topics, while GRI recommends, but does not require, reporting this information <p>Additions in ESRS are:</p> <ul style="list-style-type: none"> the representative(s) responsible in the administrative, management and supervisory bodies for the oversight of these activities total monetary amount of financial and in-kind lobbying or advocacy expenses (both internal and external) the total amount paid for membership to professional or advocacy associations information about the appointment of any members of the administrative, management and supervisory bodies or senior executives who previously held a comparable position in public administration, including regulators <p>Additions in GRI are:</p> <ul style="list-style-type: none"> GRI requires calculating financial political contributions in compliance with national accounting rules, where these exist 	
Disclosure Requirement G2-10 – Payment practices	Not covered		