



EUROPEAN
COMMISSION

Brussels, 30.7.2025
C(2025) 4984 final

ANNEX 1

ANNEX

to the

Commission Recommendation

**on a voluntary sustainability reporting standard for small and medium-sized
undertakings**

ANNEX I

Table of Contents

Objective of this Standard and to which undertakings it applies	2
Structure of this Standard	3
Principles for the preparation of the sustainability report (Basic and Comprehensive Module)	4
Basic Module	6
Basic Module – General information	6
B1 – Basis for preparation	6
B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	6
Basic Module – Environment metrics	7
B3 – Energy and greenhouse gas emissions	7
B4 – Pollution of air, water and soil	7
B5 – Biodiversity	7
B6 – Water	8
B7 – Resource use, circular economy and waste management	8
Basic Module – Social metrics	8
B8 – Workforce – General characteristics	8
B9 – Workforce – Health and safety	8
B10 – Workforce – Remuneration, collective bargaining and training	8
Basic Module – Governance metrics	8
B11 – Convictions and fines for corruption and bribery	9
Comprehensive Module	10
Comprehensive Module – General information	10
C1 – Strategy: Business Model and Sustainability – Related Initiatives	10
C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	10
Comprehensive Module - Environmental Metrics	10
Consideration when reporting on GHG emissions under B3 (Basic Module)	10
C3 – GHG reduction targets and climate transition	11
C4 – Climate risks	11
Comprehensive Module – Social Metrics	11
C5 – Additional (general) workforce characteristics	11
C6 – Additional own workforce information - Human rights policies and processes	11
C7 – Severe negative human rights incidents	12
Comprehensive Module – Governance Metrics	12
C8 – Revenues from certain activities and exclusion from EU reference benchmarks	12
C9 – Gender diversity ratio in the governance body	13
Appendix A: Defined terms	14
Appendix B: List of possible sustainability issues	21
Appendix C: Background information for financial market participants that are users of the information produced using this Standard (reconciliation with other EU regulations)	24

Objective of this Standard and to which undertakings it applies

1. The objective of this voluntary Standard is to support micro-, small- and medium-sized undertakings in:
 - (a) providing information that will help satisfy the data needs of large undertakings requesting sustainability information from their suppliers;
 - (b) providing information that will help satisfy data needs from banks and investors, therefore helping undertakings in their access to finance;
 - (c) improving the management of the sustainability issues they face, i.e. environmental and social challenges such as pollution, workforce health and safety. This will support their competitive growth and enhance their resilience in the short-, medium- and long-term; and
 - (d) contributing to a more sustainable and inclusive economy.
2. This Standard is voluntary. It applies to undertakings¹ whose securities are not admitted to trading on a regulated market in the European Union (not listed). [Article 3 of Directive 2013/34/EU] defines three categories of small- and medium-sized undertakings based on their balance sheet total, their net turnover and their average number of **employees** during the financial year.
 - (a) An undertaking is micro if it does not exceed two of the following thresholds:
 - i. €450,000 in balance sheet total;
 - ii. €900,000 in net turnover; and
 - iii. an average of 10 employees.
 - (b) An undertaking is small if it does not exceed two of the following thresholds:
 - i. €5 million in balance sheet total;
 - ii. €10 million in net turnover; and
 - iii. an average of 50 employees.
 - (c) An undertaking is medium if it does not exceed two of the following thresholds:
 - i. €25 million in balance sheet total;
 - ii. €50 million in net turnover; and
 - iii. an average of 250 employees.
3. These undertakings fall outside the scope of the Corporate Sustainability Reporting Directive (CSRD) but are encouraged to use this Standard. This Standard covers the same sustainability issues as the European Sustainability Reporting Standards (ESRS) for large undertakings. However, it is proportionate and therefore takes into account micro-, small- and medium-sized undertakings' fundamental characteristics. Micro-undertakings are welcome to use only certain parts of this Standard as highlighted in paragraph 5(a).
4. Consistency with ESRS for large undertakings has been carefully considered in the preparation of this Standard while defining proportionate requirements. This Standard has no legal authority unlike the ESRS for large undertakings.

¹ This includes self-employed, non-incorporated undertakings and listed micro undertakings.

Structure of this Standard

5. This Standard has two modules that the undertaking can use to prepare its sustainability report:
 - (a) **Basic Module:** Disclosures B1 and B2 and Basic Metrics (B3 to B11). This module is the target approach for micro-undertakings and constitutes a minimum requirement for other undertakings; and
 - (b) **Comprehensive Module:** this module sets datapoints in addition to disclosures B1-B11, which are likely to be requested by banks, investors and corporate clients of the undertaking on top of the Basic Module.

Paragraph 24 below illustrates the available options for the preparation of a sustainability report using this Standard by adopting one or more of these modules. Once chosen, a module shall be complied with in its entirety (with flexibility allowed under paragraph 22); however, each item of disclosure shall be provided only when it is applicable to the undertaking's specific circumstances.
6. Applying the Basic Module is a prerequisite for applying the Comprehensive Module.
7. Appendix A *Defined terms* include the definitions of the terms used in this Standard. Throughout the VSME Standard, the terms defined in the glossary of definitions (Appendix A) are set in ***bold italics***, except when a defined term is used more than once in the same paragraph.

Principles for the preparation of the sustainability report (Basic and Comprehensive Module)

Complying with this Standard

8. This Standard sets requirements that allow the undertaking to provide relevant information on:
 - (a) how it has had and is likely to have a positive or negative **impact** on people or on the environment in the short-, medium- or long-term; and
 - (b) how environmental and social issues have affected or are likely to affect its financial position, performance and cash flows in the short-, medium- or long-term.
9. The undertaking shall report information that is relevant, faithful, comparable, understandable and verifiable.
10. Depending on the type of activities carried out by the undertaking, the inclusion of additional information (metrics and/or narrative disclosures) not covered in this Standard is appropriate in order to disclose sustainability issues that are common in the undertaking's sector (i.e. typically encountered by businesses or entities operating within a specific industry or field) or that are specific to the undertaking, as this supports the preparation of relevant, faithful, comparable, understandable and verifiable information. This includes the consideration of information on Scope 3 GHG emissions (see paragraphs 50 to 53 of this Standard). Appendix B provides a list of possible sustainability issues.
11. The undertaking may complement the metrics from the Basic and Comprehensive modules with additional qualitative and/or quantitative information where appropriate in accordance with paragraph 10 above.

Comparative information

12. The undertaking shall report comparative information in respect of the previous year except for metrics disclosed for the first time. The undertaking shall report comparative information from the second year of reporting.

If applicable principle

13. Certain disclosures only apply to specific circumstances². In particular, the instructions provided in each disclosure specify such circumstances and the information that is to be reported only if considered 'applicable' by the undertaking. When one of these disclosures is omitted, it is assumed to not be applicable.

Inclusion of subsidiaries in the reported data

14. If the undertaking is a parent company of a group, it is recommended that it prepares its sustainability report on a consolidated basis, including information from its subsidiaries.
15. If the parent undertaking has prepared its sustainability report on a consolidated basis, including information from its subsidiaries, the subsidiary undertakings are exempted from reporting.

Timing and location of the sustainability report

16. If a sustainability report is prepared to meet the needs of large undertakings or banks that require an update annually, it shall be prepared annually. If the undertaking prepares financial statements, the sustainability report shall be prepared with a period of time that is consistent with the preparation of the financial statement. If specific datapoints did not change from the previous reporting year, the undertaking may indicate that no changes occurred and refer to the information provided for that specific datapoint in the previous year's report.
17. The primary function of this report is to inform actual or potential business counterparties. The undertaking may decide to make its sustainability report available to the public. In this case, the undertaking may present its sustainability report in a separate section of the management report if it has one. Otherwise, the undertaking may present its sustainability report as a separate document.

² For example, the legal requirement to disclose specific information, or already voluntarily disclosing specific information through an Environmental Management System.

18. To avoid publishing the same information twice, the undertaking may refer in its sustainability report to disclosures published in other documents that can be accessed at the same time as the sustainability report³.

Classified and sensitive information

19. When the provision of the disclosures in this Standard requires disclosing ***classified*** or ***sensitive information***, the undertaking may omit such information. If the undertaking decides to omit such information, it shall state that this is the case under disclosure B1 (see paragraph 24).

Coherence and linkages with disclosures in financial statements

20. If the undertaking also prepares financial statements, the information provided in its sustainability report following this Standard shall:
- (a) be coherent with what is reported in the financial statements for the same period; and
 - (b) be presented in a way that facilitates the understanding of the linkages that exist with the information reported in financial statements, for example by using appropriate cross-references.

³ In a future online tool version of the VSME Standard, when appropriate, the undertaking may refer to disclosures published in other documents rather than the sustainability report using incorporation by reference. Such reference is made by including the page number of the relevant source, provided that the PDF format of the source document is also made available in the online tool version.

Basic Module

21. The undertaking shall report on its environmental, social and *business conduct* issues (together 'sustainability issues') using the B1 to B11 disclosures below.
22. If the undertaking wants to provide more comprehensive information, it may also integrate the metrics required from B1 to B11 with disclosures, selecting them from the Comprehensive Module.
23. Additional guidance on disclosures B1 to B11 is available in paragraphs 1 to 144 of Annex II of this Recommendation.

Basic Module – General information

B1 – Basis for preparation

24. The undertaking shall disclose:
 - (a) which of the following options it has selected:
 - i. OPTION A: Basic Module (only); or
 - ii. OPTION B: Basic Module and Comprehensive Module;
 - (b) if the undertaking has omitted a disclosure as it is deemed *classified* or *sensitive information* (see paragraph 19), the undertaking shall indicate the disclosure that has omitted.
 - (c) whether the sustainability report has been prepared on an individual basis (i.e. the report is limited to the undertaking's information only) or on a consolidated basis (i.e. the report includes information about the undertaking and its subsidiaries);
 - (d) in case of a consolidated sustainability report, the list of the subsidiaries, including their registered address⁴, covered in the report; and
 - (e) the following information:
 - i. the undertaking's legal form;
 - ii. NACE sector classification code(s);
 - iii. size of the balance sheet (total assets in monetary units);
 - iv. turnover (in monetary units);
 - v. number of *employees* in headcount or full-time equivalents;
 - vi. country of primary operations and location of significant asset(s); and
 - vii. geolocation of *sites* owned, leased or managed.
25. If the undertaking has obtained any sustainability-related certification or label, it shall provide a brief description of those (including, where relevant, the issuers of the certification or label, date and rating score).

B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy

26. If the undertaking has put in place specific practices, policies or future initiatives for transitioning towards a more sustainable economy, it shall state so. The undertaking shall state whether it has:
 - (a) practices. Practices in this context may include, for instance, efforts to reduce the undertaking's water and electricity consumption, to reduce GHG emissions or to prevent pollution, and initiatives to improve product safety as well as current initiatives to improve working conditions and equal treatment in the workplace, sustainability *training* for the undertaking's workforce and partnerships related to sustainability projects;
 - (b) *policies* on sustainability issues, whether they are publicly available, and any separate environmental, social or governance policies for addressing sustainability issues;
 - (c) any future initiatives or forward-looking plans that are being implemented on sustainability issues; and

⁴ The registered address is the official address of the undertaking.

- (d) **targets** to monitor the implementation of the **policies** and the progress achieved towards meeting such targets.
27. Such practices, policies and future initiatives include what the undertaking does to reduce its negative **impacts** and to enhance its positive impacts on people and the environment, in order to contribute to a more sustainable economy. Appendix B provides a list of possible sustainability issues that could be covered in this disclosure. The undertaking may use the template found in paragraph 14 of Annex II of this Recommendation to report this information.
28. If the undertaking also reports on the Comprehensive module, it shall complement the information provided under B2 with the datapoints found in C2.

Basic Module – Environment metrics

B3 – Energy and greenhouse gas emissions

29. The undertaking shall disclose its total energy consumption in MWh, with a breakdown as per the table below, if it can obtain the necessary information to provide such a breakdown:

	Renewable	Non-renewable	Total
Electricity (as reflected in utility billings)			
Fuels			

30. The undertaking shall disclose its estimated **gross greenhouse gas (GHG) emissions** in tons of CO₂ equivalent (tCO₂eq) considering the content of the GHG Protocol Corporate Standard (version 2004), including:
- (a) the Scope 1 GHG emissions in tCO₂eq (from owned or controlled sources); and
 - (b) the **location-based Scope 2 emissions** in tCO₂eq (i.e. emissions from the generation of purchased energy, such as electricity, heat, steam or cooling).
31. The undertaking shall disclose its GHG intensity calculated by dividing ‘**gross greenhouse gas (GHG) emissions**’ disclosed under paragraph 30 by ‘turnover (in monetary units)’ disclosed under paragraph 24(e)(iv)⁵.

B4 – Pollution of air, water and soil

32. If the undertaking is already required by law or other national regulations to report to competent authorities its emissions of pollutants, or if it voluntarily reports on them according to an Environmental Management System, it shall disclose the pollutants it emits to air, water and soil in its own operations, with the respective amount for each pollutant. If this information is already publicly available, the undertaking may alternatively refer to the document where it is reported, for example, by providing the relevant URL link or embedding a hyperlink.

B5 – Biodiversity

33. The undertaking shall disclose the number and area (in hectares or m²) of **sites** that it owns, has leased, or manages in or **near a biodiversity sensitive area**.
34. The undertaking may disclose metrics related to **land-use** (in hectares or m²):
- (a) total use of land ;
 - (b) total sealed area;
 - (c) total **nature-oriented area** on-site; and
 - (d) total **nature-oriented area** off-site.

⁵ In a future online tool version of the VSME Standard, this will be automatically calculated.

B6 – Water

35. The undertaking shall disclose its total **water withdrawal**, i.e. the amount of water drawn into the boundaries of the organisation (or facility); in addition, the undertaking shall separately present the amount of water withdrawn at **sites** located in areas of high water-stress.
36. If the undertaking has production processes in place which significantly consume water (e.g. thermal energy processes like drying or power production, production of goods, agricultural irrigation, etc.), it shall disclose its **water consumption** calculated as the difference between its **water withdrawal** and water discharge from its production processes.

B7 – Resource use, circular economy and waste management

37. The undertaking shall disclose whether it applies **circular economy principles** and, if so, how it applies these principles.
38. The undertaking shall disclose:
- (a) the total annual generation of waste broken down by type (non-hazardous and hazardous);
 - (b) the total annual waste diverted to **recycling** or reuse; and
 - (c) if the undertaking operates in a sector using significant material flows (for example manufacturing, construction, packaging or others), the annual mass-flow of relevant materials used.

Basic Module – Social metrics

B8 – Workforce – General characteristics

39. The undertaking shall disclose the number of **employees** in headcount or full-time equivalent for the following metrics:
- (a) type of employment contract (temporary or permanent);
 - (b) gender; and
 - (c) country of the employment contract, if the undertaking operates in more than one country.
40. If the undertaking employs 50 or more **employees**, it shall disclose the employee turnover rate for the reporting period.

B9 – Workforce – Health and safety

41. The undertaking shall disclose the following information regarding its **employees**:
- (a) the number and rate of **recordable work-related** accidents; and
 - (b) the number of fatalities as a result of work-related injuries and work-related ill health.

B10 – Workforce – Remuneration, collective bargaining and training

42. The undertaking shall disclose:
- (a) whether the **employees** receive **pay** that is equal or above applicable minimum **wage** for the country it reports on, determined directly by the national minimum wage law or through a **collective bargaining** agreement;
 - (b) the percentage gap in **pay** between its female and male **employees**. The undertaking may omit this disclosure when its headcount is below 150 employees noting that this threshold will be reduced to 100 employees from 7 June 2031;
 - (c) the percentage of **employees** covered by **collective bargaining** agreements; and
 - (d) the average number of annual **training** hours per **employee**, broken down by gender.

Basic Module – Governance metrics

B11 – Convictions and fines for corruption and bribery

43. In case of convictions and fines in the reporting period, the undertaking shall disclose the number of convictions, and the total amount of fines incurred for the violation of anti-*corruption* and anti-*bribery* laws.

Comprehensive Module

44. This module provides disclosures to address in a comprehensive way the information needs of the undertaking's business partners, such as investors, banks and corporate clients in addition to the ones included in the Basic Module. The disclosures in this module reflect the financial market participants and corporate clients' respective obligations under relevant laws and regulations. They also reflect the information needed by the business partners, to assess the sustainability risk profile of the undertaking, e.g. as a (potential) supplier or a (potential) borrower.
45. The text below provides the list of disclosures from C1 to C9 to be considered and reported upon, if they are applicable to the undertaking's business and organisation. When one of these disclosures is omitted, it is assumed to not be applicable.
46. Additional guidance on disclosures C1 to C9 is available in paragraphs 145 to 180 of Annex II of this Recommendation.

Comprehensive Module – General information

C1 – Strategy: Business Model and Sustainability – Related Initiatives

47. The undertaking shall disclose the key elements of its business model and strategy, including:
 - (a) a description of significant groups of products and/or services offered;
 - (b) a description of significant market(s) the undertaking operates in (such as B2B, wholesale, retail, countries);
 - (c) a description of main business relationships (such as key suppliers, customers, distribution channels); and
 - (d) if the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements.

C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

48. If the undertaking has put in place specific practices, *policies* or future initiatives for transitioning towards a more sustainable economy, which it has already reported under disclosure B2 in the Basic Module, it shall briefly describe them. The undertaking may use the template found in paragraph 149 of Annex II of this Recommendation for this purpose.
49. The undertaking may indicate the most senior level within its employees that is accountable for implementing the policies when this has been determined by the undertaking.

Comprehensive Module - Environmental Metrics

Consideration when reporting on GHG emissions under B3 (Basic Module)

50. Depending on the type of activities carried out by the undertaking, disclosing a quantification of its Scope 3 GHG emissions can be appropriate (see paragraph 10 of this Standard) to yield relevant information on the undertaking's *value chain impacts* on climate change.
51. Scope 3 emissions are *indirect GHG emissions* (other than Scope 2) that derive from an undertaking's *value chain*. They include the activities that are upstream of the undertaking's operations (e.g. purchased goods and services, purchased capital goods, transportation of purchased goods, etc.) and activities that are downstream of the undertaking's operations (e.g. transport and distribution of the undertaking's products, use of sold products, investments, etc.).
52. If the undertaking decides to provide this metric, it should refer to the 15 types of Scope 3 GHG emissions identified by the GHG Protocol Corporate Standard and detailed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. When it reports on Scope 3 GHG emissions, the undertaking shall include significant Scope 3 categories (as per the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*) based on its own assessment of relevant Scope 3 categories. Undertakings can find further guidance on specific calculation methods for each category in the GHG Protocol's Technical guidance for Calculating Scope 3 Emissions.

53. When reporting its Scope 1 and Scope 2 emissions, if the undertaking discloses entity-specific information on its Scope 3 emissions, it shall present it together with the information required under B3 – Energy and greenhouse gas emissions.

C3 – GHG reduction targets and climate transition

54. If the undertaking has established GHG emission reduction *targets*, it shall disclose its targets in absolute values for Scope 1 and Scope 2 emissions. In line with paragraphs 50 to 53 above and if it has set Scope 3 reduction targets, the undertaking shall also provide targets for significant Scope 3 emissions. In particular, it shall provide:
- (a) the target year and target year value;
 - (b) the base year and base year value;
 - (c) the units used for *targets*;
 - (d) the share of Scope 1, Scope 2 and, if disclosed, Scope 3 that the target concerns; and
 - (e) a list of main actions it seeks to implement to achieve its *targets*.
55. If the undertaking that operates in high climate impact sectors⁶ has adopted a transition plan for climate change mitigation, it may provide information about it, including an explanation of how it is contributing to reduce GHG emissions.
56. In case the undertaking operates in high-climate impact sectors and does not have a transition plan for climate change mitigation in place, it shall indicate whether and, if so, when it will adopt such a transition plan.

C4 – Climate risks

57. If the undertaking has identified climate-related hazards and climate-related transition events, creating gross climate-related risks for the undertaking, it shall:
- (a) briefly describe such climate-related hazards and climate-related transition events;
 - (b) disclose how it has assessed the exposure and sensitivity of its assets, activities and *value chain* to these hazards and transition events;
 - (c) disclose the *time horizons* of any climate-related hazards and transition events identified; and
 - (d) disclose whether it has undertaken *climate change adaptation* actions for any climate-related hazards and transition events.
58. The undertaking may disclose the potential adverse effects of climate risks that may affect its financial performance or business operations in the short-, medium- or long-term, indicating whether it assesses the risks to be high, medium, low.

Comprehensive Module – Social Metrics

C5 – Additional (general) workforce characteristics

59. If the undertaking employs 50 or more *employees*, it may disclose the female-to-male ratio at management level for the reporting period.
60. If the undertaking employs 50 or more *employees*, it may disclose the number of those self-employed without personnel who are working exclusively for the undertaking, and temporary workers provided by undertakings primarily engaged in ‘employment activities’.

C6 – Additional own workforce information - Human rights policies and processes

61. The undertaking shall disclose an answer to the following questions.
- (a) Does the undertaking have a code of conduct or human rights *policy* for its *own workforce*? (YES/NO)

⁶ High climate impact sectors are those listed in NACE Sections A to H and Section M as defined in Annex I to Delegated Regulation (EU) 2023/137.

(b) If yes, does this cover:

- i. child labour (YES/ NO);
- ii. forced labour (YES/ NO);
- iii. human trafficking (YES/NO);
- iv. discrimination (YES/NO);
- v. accident prevention (YES/NO); or
- vi. other? (YES/NO – if yes, specify).

(c) Does the undertaking have a complaints-handling mechanism for its *own workforce*? (YES/ NO)

C7 – Severe negative human rights incidents

62. The undertaking shall disclose an answer to the following questions:

(a) Does the undertaking have confirmed incidents in its *own workforce* related to:

- i. child labour (YES/ NO);
- ii. forced labour (YES/ NO);
- iii. human trafficking (YES/ NO);
- iv. discrimination (YES/ NO); or
- v. other? (YES/NO – if yes, specify).

(b) If yes, the undertaking may describe the *actions* being taken to address the *incidents* described above.

(c) Is the undertaking aware of any confirmed *incidents* involving *workers in the value chain, affected communities, consumers* and *end-users*? If yes, specify.

Comprehensive Module – Governance Metrics

C8 – Revenues from certain activities and exclusion from EU reference benchmarks

63. If the undertaking is active in one or more of the following sectors, it shall disclose related revenues derived from activities in:

- (a) controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
- (b) the cultivation and production of tobacco;
- (c) fossil fuel (coal, oil and gas) sector (i.e. the undertaking derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council⁷), including a disaggregation of revenues derived from coal, oil and gas; or
- (d) chemicals production if the undertaking is a manufacturer of pesticides and other agrochemical products.

64. The undertaking shall disclose whether it is excluded from any EU reference benchmarks that are aligned with the Paris Agreement as described in paragraph 177 of Annex II of this Recommendation.

⁷ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

C9 – Gender diversity ratio in the governance body

65. If the undertaking has a governance body in place, the undertaking shall disclose the related gender diversity ratio.

Appendix A: Defined terms

This appendix is an integral part of this Standard.

Defined term	Definition
Accident prevention	Accident prevention refers to the policies and initiatives to prevent workplace accidents and ensure the safety and well-being of employees. This not only includes measures to reduce physical risks but also involves fostering a safe and inclusive work environment free from discrimination and harassment.
Actions	Actions refer to (i) actions and actions plans (including transition plans) that are undertaken to ensure that the undertaking delivers against targets set and through which the undertaking seeks to address material impacts, risks and opportunities; and (ii) decisions to support these with financial, human or technological resources.
Affected communities	People or group(s) living or working in the same geographical area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples.
Biodiversity sensitive Area	Biodiversity sensitive areas include: Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139.
Bribery	Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.
Business Conduct	The following matters are collectively referred to as 'business conduct or business conduct matters': (a) business ethics and corporate culture, including anti-corruption and anti-bribery, the protection of whistleblowers, and animal welfare; (b) the management of relationships with suppliers, including payment practices, especially with regard to late payment to small and medium-sized undertakings. (c) activities and commitments of the undertaking related to exerting its political influence, including its lobbying activities.
Child Labour	Work that deprives children of their childhood, potential, and dignity and harms their physical and mental development. It includes work that is mentally, physically, socially, or morally dangerous and/or interferes with their schooling (by preventing them from the opportunity to attend school).
Collective bargaining	All negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other, for: i) determining working conditions and terms of employment; and/or ii) regulating relations between employers and workers; and/or regulating relations between employers or their organisations and a workers' organisation or workers' organisations.
Corruption	Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments,

Defined term	Definition
	fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.
Consumers	Individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes.
Classified information	<p>EU classified information as defined in Council Decision of 23 September 2013 on the security rules for protecting EU classified information (2013/488/EU) or classified by one of the Member States and marked as per Appendix B of that Council decision.</p> <p>EU classified information means any information designated by a EU security classification, of which the unauthorised disclosure could cause varying degrees of prejudice to the interests of the European Union or of one or more of the Member States. Classified information may be classified according to four levels: top secret, secret, confidential, restricted (based on the definition from the Council Decision).</p>
Circular economy principles	The European circular economy principles are usability; reusability; repairability; disassembly; remanufacturing or refurbishment; recycling; recirculation by the biological cycle; other potential optimisation of product and material use.
Climate change adaptation	The process of adjustment to actual and expected climate change and its impacts.
Climate-related physical risks	Risks resulting from climate change that can be event-driven (acute) or from longer-term shifts (chronic) in climate patterns. Acute physical risks arise from particular hazards, especially weather-related events such as storms, floods, fires or heatwaves. Chronic physical risks arise from longer-term changes in the climate, such as temperature changes, and their effects on rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.
Direct GHG emissions (Scope 1)	Direct GHG emissions from sources that are owned or controlled by the undertaking.
Discrimination	Discrimination can occur directly or indirectly. Direct discrimination occurs when an individual is treated less favourably by comparison to how others, who are in a similar situation. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics.
Employee	An individual who is in an employment relationship with the undertaking according to national law or practice.
End-users	Individuals who ultimately use or are intended to ultimately use a particular product or service.
Forced Labour	All work or service which is exacted from any person under the threat of penalty and for which the person has not offered himself or herself voluntarily according to the ILO Forced Labour Convention, 1930 (No.29). The term encompasses all situations in which persons are coerced by any means to perform work.

Defined term	Definition
Grievance mechanism	Any routinized, state-based or non-state-based, judicial or non-judicial processes through which stakeholders can raise grievances and seek remedy. Examples of state-based judicial and non-judicial grievance mechanisms include courts, labour tribunals, national human rights institutions, National Contact Points under the OECD Guidelines for Multinational Enterprises, ombudsperson offices, consumer protection agencies, regulatory oversight bodies, and government-run complaints offices. Non-state-based grievance mechanisms include those administered by the undertaking, either alone or together with stakeholders, such as operational-level grievance mechanisms and collective bargaining, including the mechanisms established by collective bargaining. They also include mechanisms administered by industry associations, international organisations, civil society organisations, or multi-stakeholder groups. Operational-level grievance mechanisms are administered by the organisation either alone or in collaboration with other parties and are directly accessible by the organisation's stakeholders. They allow for grievances to be identified and addressed early and directly, thereby preventing both harm and grievances from escalating. They also provide important feedback on the effectiveness of the organisation's due diligence from those who are directly affected. According to UN Guiding Principle 31, effective grievance mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. In addition to these criteria, effective operational-level grievance mechanisms are also based on engagement and dialogue. It can be more difficult for the organisation to assess the effectiveness of grievance mechanisms that it participates in compared to those it has established itself.
Greenhouse Gases (GHG)	For the purposes of this Standard, GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO ₂); methane (CH ₄); nitrous oxide (N ₂ O); Nitrogen trifluoride (NF ₃); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF ₆).
Governance	The governance is the system of rules, practices and processes by which a company is directed and controlled.
Gross greenhouse gas (GHG) emissions	Gross greenhouse gas (GHG) emissions are total GHG emissions released by the undertaking into the atmosphere, without considering any deductions for carbon removals or other adjustments.
Hazardous waste	Waste which displays one or more of the hazardous properties listed in Annex III of Directive 2008/98/EC of the European Parliament and of the Council on waste.
Human trafficking	The recruitment, transportation, transfer, harbouring or reception of persons, including the exchange or transfer of control over those persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.
Incident	A legal action or complaint registered with the undertaking or competent authorities through a formal process, or an instance of non-compliance identified by the undertaking through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.
Indirect GHG emissions (Scope 2)	Indirect emissions are a consequence of the operations of the undertaking but occur at sources owned or controlled by another company. Scope 2 GHG

Defined term	Definition
	emissions are indirect emissions from the generation of purchased or acquired electricity, steam and heat, or cooling consumed by the undertaking.
Impact	<p>Impact refers to the effect an organisation has or could have on the economy, environment, and people, including effects on their human rights, as a result of the organization's activities or business relationships. The impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, direct or indirect, and reversible or irreversible. These impacts indicate the organization's contribution, negative or positive, to sustainable development. The impacts on the economy, environment, and people are interrelated.</p> <p>The organization's impacts on the environment refer to the impacts on living organisms and non-living elements, including air, land, water, and ecosystems. An organization can have an impact on the environment through, for example, its use of energy, land, water, and other natural resources.</p> <p>The organization's impacts on people refer to the impacts on individuals and groups, such as communities, vulnerable groups, or society. This includes the impacts the organization has on people's human rights. An organization can have an impact on people through, for example, its employment practices (e.g. the wages it pays to employees), its supply chain (e.g. the working conditions of workers of suppliers), and its products and services (e.g. their safety or accessibility).</p>
Land-use (change)	The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by land cover (grass, asphalt, trees, bare ground, water, etc). Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.
Location-based Scope 2 emissions	Emissions from electricity, heat, steam and cooling purchased or acquired and consumed by the reporting company, calculated using the location-based 'allocating' method, which allocates generator emissions to end-users. They reflect the average emissions intensity of grids on which the energy consumption occurs and uses mostly grid-average emission factor data. Typical sources of Scope 2 emissions relate to any equipment that consumes electricity (electrical engines, lights, buildings, etc.), heat (heating in industrial processes, buildings, etc.), steam (industrial processes) and cooling (industrial processes, buildings, etc.).
Nature-oriented area	A "nature-oriented area" is an area dedicated primarily to nature preservation or restoration. They can be located on-site and include elements like roof, façade, water drainages designed, to promote biodiversity. Nature-oriented areas can also be located outside the organisation site provided that the area is owned or (co-)managed by the organisation and is primarily dedicated to promoting biodiversity.
Near (Biodiversity Sensitive Area)	Near, in the context of B5 – Biodiversity, shall refer to an area that is (partially) overlapping or adjacent to a biodiversity sensitive area.
Own workforce/own workers	Employees who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code O78).
Pay	The ordinary basic or minimum wage or salary and any other remuneration, whether in cash or in kind which the worker receives directly or indirectly ('complementary or variable components'), in respect of his/her employment

Defined term	Definition
	from his/her employer. 'Pay level' means gross annual pay and the corresponding gross hourly pay. 'Median pay level' means the pay of the employee that would have half of the employees earn more and half less than they do.
Policy	<p>A set or framework of general objectives and management principles that the undertaking uses for decision-making. A policy implements the undertaking's strategy or management decisions related to a sustainability issue. Each policy is under the responsibility of defined person(s), specifies its perimeter of application, and includes one or more objectives (linked when applicable to measurable targets). A policy is implemented through actions or action plans.</p> <p>For example, undertakings with less resources may have few (or no) policies formalised in written documents, but this does not necessarily mean they do not have policies.</p> <p>If the undertaking has not yet formalised a policy but has implemented actions or defined targets through which the undertaking seeks to address sustainability issues, it shall disclose them.</p>
Radioactive waste	Any radioactive material in gaseous, liquid, or solid form, for which no further use is foreseen, as per Article 3(7) of Council Directive 2011/70/Euratom ⁸ .
Recordable work-related accident / Recordable work-related injury or ill health	<p>A work-related accident is an event that leads to physical or mental harm therefore to injury or ill health. It happens whilst engaged in an occupational activity or during the time spent at work. Recordable means diagnosed by a physician or other licensed health care professionals.</p> <p>Work-related injury or ill health can result in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid or loss of consciousness. Injuries that do not require medical treatment beyond first aid are generally not recordable.</p>
Recycling	Any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations.
Renewable Energy	Energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas ⁹ .
Sealed area	A sealed area means any area where the original soil has been covered (such as roads) making it impermeable. This non-permeability can create environmental impacts.
Sensitive information	<p>Sensitive information as defined in Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund.</p> <p>Sensitive information means information and data, including classified</p>

⁸ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste.

⁹ Article 2(1) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

Defined term	Definition
	information, that is to be protected from unauthorised access or disclosure because of obligations laid down in Union or national law or in order to safeguard the privacy or security of a natural or legal person.
Site	The location of one or more physical installations. If there is more than one physical installation from the same or different owners or operators and certain infrastructure and facilities are shared, the entire area where the physical installation are located may constitute a site.
Targets	Measurable, outcome-oriented and time-bound goals that the SME aims to achieve in relation to sustainability issues. They may be set voluntarily by the SME or derive from legal requirements on the undertaking.
Time horizons	When preparing its sustainability report, the undertaking shall adopt the following time horizons: <ul style="list-style-type: none"> (a) for the short-term time horizon, one year; (b) for the medium-term time horizon, from two to five years; and (c) for the long-term time horizon, more than five years.
Training	Initiatives put in place by the undertaking aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.
Value Chain	The full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end-of- life. Relevant activities, resources and relationships include: a) those in the undertaking's own operations, such as human resources; b) those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and c) the financing, geographical, geopolitical and regulatory environments in which the undertaking operates. Value chain includes actors upstream and downstream from the undertaking. Actors upstream from the undertaking (e.g. suppliers) provide products or services that are used in the development of the undertaking's products or services. Entities downstream from the undertaking (e.g. distributors, customers) receive products or services from the undertaking.
Wage	Gross wage, excluding variable components such as overtime and incentive pay, and excluding allowances unless they are guaranteed.
Water consumption	The amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment or a third party over the course of the reporting period.
Water withdrawal	The sum of all water drawn into the boundaries of the undertaking from all sources for any use over the course of the reporting period.
Worker in the value chain	An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In the ESRS, the scope of workers in the value chain include all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted by the undertaking. This includes impacts that are connected to the undertaking's own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of 'Own Workforce' ('Own Workforce' includes people

Defined term	Definition
	who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in employment activities (NACE Code O78).

Appendix B: List of possible sustainability issues

The appendix below is an integral part of this Standard and provides a list of possible sustainability issues.

Topic	Sustainability issue: Sub-topic	Sustainability issue: sub-sub topic
Climate change	<ul style="list-style-type: none"> Climate change adaptation Climate change mitigation Energy 	
Pollution	<ul style="list-style-type: none"> Pollution of air Pollution of water Pollution of soil Pollution of living organisms and food resources Substances of concern Substances of very high concern Microplastics 	
Water and marine resources	<ul style="list-style-type: none"> Water Marine resources 	<ul style="list-style-type: none"> Water consumption Water withdrawals Water discharges Water discharges in the oceans Extraction and use of marine resources
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	<ul style="list-style-type: none"> Climate Change Land-use change, fresh water-use change and sea-use change Direct exploitation Invasive alien species Pollution Others
	Impacts on the state of species	<ul style="list-style-type: none"> Examples: Species population size Species global extinction risk
	Impacts on the extent and condition of ecosystems	<ul style="list-style-type: none"> Examples: Land degradation Desertification Soil sealing
	Impacts and dependencies on ecosystem services	
Circular economy	<ul style="list-style-type: none"> Resources inflows, including resource use Resource outflows related to products and services Waste 	
Own workforce	Working conditions	<ul style="list-style-type: none"> Secure employment Working time Adequate wages Social dialogue

Topic	Sustainability issue: Sub-topic	Sustainability issue: sub-sub topic
		<ul style="list-style-type: none"> – Freedom of association, the existence of works councils and the information, consultation and participation rights of workers – Collective bargaining, including rate of workers covered by collective agreements – Work-life balance – Health and safety
	<ul style="list-style-type: none"> – Equal treatment and opportunities for all 	<ul style="list-style-type: none"> – Gender equality and equal pay for work of equal value – Training and skills development – Employment and inclusion of persons with disabilities – Measures against violence and harassment in the workplace – Diversity
	<ul style="list-style-type: none"> – Other work-related rights 	<ul style="list-style-type: none"> – Child labour – Forced labour – Adequate housing – Privacy
Workers in the value chain	<ul style="list-style-type: none"> – Working conditions 	<ul style="list-style-type: none"> – Secure employment – Working time – Adequate wages – Social dialogue – Freedom of association, including the existence of work councils – Collective bargaining – Work-life balance – Health and safety
	<ul style="list-style-type: none"> – Equal treatment and opportunities for all 	<ul style="list-style-type: none"> – Gender equality and equal pay for work of equal value – Training and skills development – The employment and inclusion of persons with disabilities – Measures against violence and harassment in the workplace – Diversity
	<ul style="list-style-type: none"> – Other work-related rights 	<ul style="list-style-type: none"> – Child labour – Forced labour – Adequate housing – Water and sanitation – Privacy
Affected communities	<ul style="list-style-type: none"> – Communities' economic, social and cultural rights 	<ul style="list-style-type: none"> – Adequate housing – Adequate food – Water and sanitation – Land-related impacts – Security-related impacts

Topic	Sustainability issue: Sub-topic	Sustainability issue: sub-sub topic
	– Communities' civil and political rights	– Freedom of expression – Freedom of assembly – Impacts on human rights defenders
	– Rights of indigenous communities	– Free, prior and informed consent – Self-determination – Cultural rights
Consumers and end-users	– Information-related impacts for consumers and/or end-users	– Privacy – Freedom of expression – Access to (quality) information
	– Personal safety of consumers and/or end-users	– Health and safety – Security of a person – Protection of children
	– Social inclusion of consumers and/or end-users	– Non-discrimination – Access to products and services – Responsible marketing practices
Business conduct	– Corporate culture – Protection of whistle-blowers – Animal welfare – Political engagement – Management of relationships with suppliers including payment practices	
	– Corruption and bribery	– Prevention and detection including training – Incidents

Appendix C: Background information for financial market participants that are users of the information produced using this Standard (reconciliation with other EU regulations)

66. This appendix is relevant for users of the sustainability report. The table below illustrates the Sustainable Finance Datapoints that are present in different modules of this Standard that satisfy the requests of multiple user types (banks, investors, large undertakings).
67. The column ‘DR number and Title’ identifies the disclosures present in the different modules (i.e. Basic Module, and Comprehensive Module) that are Sustainable Finance datapoints. The column SFDR Table 1 and/or EBA Pillar 3 and/or Benchmark Regulation illustrates how these disclosures relate to these regulations that are relevant for users of the sustainability report (banks, other investors).

Topic: Environment / Social / Governance	DR number and Title	SFDR Table 1 and/or EBA Pillar 3 and/or Benchmark Regulation												
Basic Module														
General information	B1 – Basis for preparation The undertaking shall disclose: vii. geolocation of sites owned, leased or managed.	EBA Pillar 3 ¹⁰												
Environment	B3 – Energy and greenhouse gas emissions The undertaking shall disclose its total energy consumption in MWh, with a breakdown as per the table below, if it can obtain the necessary information to provide such a breakdown: <table><tr><td></td><td>Renewable</td><td>Non-renewable</td><td>Total</td></tr><tr><td>Electricity (as reflected in utility billings)</td><td></td><td></td><td></td></tr><tr><td>Fuels</td><td></td><td></td><td></td></tr></table>		Renewable	Non-renewable	Total	Electricity (as reflected in utility billings)				Fuels				SFDR ¹¹
	Renewable	Non-renewable	Total											
Electricity (as reflected in utility billings)														
Fuels														
Environment	B3 – Energy and greenhouse gas emissions The undertaking shall disclose its estimated <i>gross greenhouse gas (GHG) emissions</i> in tons of CO ₂ equivalent (tCO ₂ eq)	SFDR ¹² Benchmark ¹³												

¹⁰ This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453 - Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.

¹¹ Regulation (EU) 2019/2088 (SFDR), mandatory indicator #5 in Table 1 of Annex I (“Share of non-renewable energy consumption and production”).

¹² Regulation (EU) 2019/2088 (SFDR), mandatory indicators #1 and #2 in Table 1 of Annex I (“GHG emissions”; Carbon footprint”).

¹³ Regulation (EU) 2020/1816 Benchmark Regulation, Articles 5 (1), 6 and 8 (1).

	<p>considering the content of the GHG Protocol Corporate Standard (version 2004), including:</p> <p>(a) the Scope 1 GHG emissions in tCO₂eq (from owned or controlled sources); and</p> <p>(b) the location-based Scope 2 emissions in tCO₂eq (i.e. emissions from the generation of purchased energy, such as electricity, heat, steam or cooling).</p>	
Environment	<p>B3 – Energy and greenhouse gas emissions</p> <p>The undertaking shall disclose its GHG intensity calculated by dividing ‘total GHG emissions’ disclosed under paragraph 30 by ‘turnover (in monetary units)’ disclosed under paragraph 24(e)(iv).</p>	<p>SFDR¹⁴</p> <p>Benchmark¹⁵</p>
Environment	<p>B4 – Pollution of air, water and soil</p> <p>If the undertaking is already required by law or other national regulations to report to competent authorities its emissions of pollutants, or if it voluntarily reports on them according to an Environmental Management System, it shall disclose the pollutants it emits to air, water and soil in its own operations, with the respective amount for each pollutant. If this information is already publicly available, the undertaking may alternatively refer to the document where it is reported, for example, by providing the relevant URL link or embedding a hyperlink.</p>	SFDR¹⁶
Environment	<p>B5 – Biodiversity</p> <p>The undertaking shall disclose the number and area (in hectares) of sites that it owns, has leased, or manages in or near a biodiversity sensitive area.</p>	SFDR¹⁷
Environment	<p>B7 – Resource use, circular economy and waste management</p> <p>The undertaking shall disclose:</p> <p>(a) the total annual generation of waste broken down by type (non-hazardous and hazardous);</p>	SFDR¹⁸

¹⁴ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by indicator #3 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“GHG intensity of investee companies”).

¹⁵ This information is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Article 8 (1).

¹⁶ Regulation (EU) 2019/2088 (SFDR) because it is derived from (a) an additional indicator related to principal adverse impacts as set out by indicator #2 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Emissions of air pollutants”); (b) indicator #8 in Table I of Annex I (“Emissions to water”); (c) indicator #1 in Table II of Annex I (“Emissions of inorganic pollutants”); and (d) indicator #3 in Table II of Annex I (“Emissions of ozone-depleting substances”).

¹⁷ Regulation (EU) 2019/2088 (SFDR), mandatory indicator #7 in Table 1 of Annex I (“Activities negatively affecting biodiversity-sensitive areas”)

¹⁸ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by indicator #9 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Hazardous waste and radioactive waste ratio”).

Social	B9 – Workforce – Health and safety The undertaking shall disclose the following information regarding its <i>employees</i> : <ul style="list-style-type: none"> (a) the number and rate of <i>recordable work-related</i> accidents; and (b) the number of fatalities as a result of work-related injuries and work-related ill health. 	SFDR¹⁹ Benchmark²⁰
Social	B10 – Workforce – Remuneration, collective bargaining and training The undertaking shall disclose: <ul style="list-style-type: none"> (b) the percentage gap in <i>pay</i> between its female and male <i>employees</i>. The undertaking may omit this disclosure when its headcount is below 150 employees noting that this threshold will be reduced to 100 employees from 7 June 2031; 	SFDR²¹
Governance	B11 – Convictions and fines for corruption and bribery In case of convictions and fines in the reporting period, the undertaking shall disclose the number of convictions, and the total amount of fines incurred for the violation of anti-corruption and anti-bribery laws.	Benchmark²²
Comprehensive Module		
Environment	Consideration when reporting on GHG emissions under B3 (Basic Module) When reporting its Scope 1 and Scope 2 emissions, if the undertaking discloses entity-specific information on its Scope 3 emissions, it shall present it together with the information required under B3 – Energy and greenhouse gas emissions.	SFDR²³ Benchmark²⁴

¹⁹ This information supports the information needs of financial market participants subject to **Regulation (EU) 2019/2088**, as reflecting an additional indicator related to principal adverse impacts as set out by **indicator #2 in Table 3** of Annex 1 of the related Delegated Regulation with regard to disclosure rules on sustainable investments (“Rate of accidents”)

²⁰ Benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816 as set out by indicator “Weighted average ratio of accidents, injuries, fatalities” in section 1 and 2 of Annex 2.

²¹ Regulation (EU) 2019/2088 (SFDR), mandatory indicator #12 in Table 1 of Annex I (“Unadjusted gender pay gap”) and (EU) 2020/1816 Benchmark Regulation (EU), indicator “Weighted average gender pay gap” in section 1 and 2 of Annex II.

²² Benchmark Regulation (EU) 2020/1816, indicator “Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws” in section 1 and 2 of Annex II.

²³ Regulation (EU) 2019/2088 (SFDR), mandatory indicators #1 and #2 in Table 1 of Annex I (“GHG emissions”; Carbon footprint”)

²⁴ Regulation (EU) 2020/1816 Benchmark Regulation, Articles 5 (1), 6 and 8 (1).

	<p>(b) disclose how it has assessed the exposure and sensitivity of its assets, activities and value chain to these hazards and transition events;</p> <p>(c) disclose the time horizons of any climate-related hazards and transition events identified; and</p> <p>(d) disclose whether it has undertaken climate change adaptation actions for any climate-related hazards and transition events.</p> <p>The undertaking may disclose the potential adverse effects of climate risks that may affect its financial performance or business operations in the short-, medium- or long-term, indicating whether it assesses the risks to be high, medium, low.</p>	
Social	<p>C6 – Additional own workforce information - Human rights policies and processes</p> <p>The undertaking shall disclose an answer to the following questions.</p> <p>(a) Does the undertaking have a code of conduct or human rights policy for its own workforce? (YES/NO)</p> <p>(b) If yes, does this cover:</p> <ul style="list-style-type: none"> i. child labour (YES/ NO); ii. forced labour (YES/ NO); iii. human trafficking (YES/NO); iv. discrimination (YES/NO); v. accident prevention (YES/NO); or vi. other? (YES/NO – if yes, specify). <p>Does the undertaking have a complaints-handling mechanism for its own workforce? (YES/ NO)</p>	<p>Benchmark³²</p> <p>SFDR³³</p>

³² This information supports the needs of benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816 as set out by indicator “Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8” in section 1 and 2 of Annex II.

³³ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by indicator #11 in Table I of Annex I (“Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises”) and by indicator #5 in Table III of Annex I (“Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters”) and by indicator #9 in Table III of Annex I (“Share of investments in entities without a human rights policy”) of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments.

Social	<p>C7 – Severe human rights incidents</p> <p>The undertaking shall disclose an answer to the following questions:</p> <p>(a) Does the undertaking have confirmed incidents in its own workforce related to:</p> <ul style="list-style-type: none"> i. child labour (YES/ NO); ii. forced labour (YES/ NO); iii. human trafficking (YES/ NO); iv. discrimination (YES/ NO); or v. other? (YES/NO – if yes, specify). <p>(b) If yes, the undertaking may describe the actions being taken to address the incidents described above.</p> <p>Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users? If yes, specify.</p>	<p>SFDR³⁴</p> <p>Benchmark³⁵</p>
Governance	<p>C8 – Revenues from certain sectors and exclusion from EU reference benchmarks</p> <p>If the undertaking is active in one or more of the following sectors, it shall disclose its related revenues in the sector(s):</p> <p>(a) controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);</p>	<p>SFDR³⁶</p> <p>Benchmark³⁷</p>
	<p>(b) the cultivation and production of tobacco;</p>	<p>EBA Pillar 3³⁸</p> <p>Benchmark³⁹</p>

³⁴ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory and additional indicator related to principal adverse impacts as set out by indicator #10 in Table I of Annex I and by indicator #14 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Violations of UNGC principles and OECD Guidelines for Multinational Enterprises” and “Number of identified cases of severe human rights issues and incidents”)

³⁵ This information supports the information needs of benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816 as set out by indicator “Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law” in section 1 and 2 of Annex II.

³⁶ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts set out by indicator #14 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments (“Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”).

³⁷ Benchmark Regulation (EU) 2020/1818 Article 12(1): “Administrators of EU-Paris aligned Benchmarks shall exclude all of the following companies from those benchmarks: companies involved in any activities related to controversial weapons; ” and Benchmark Regulation (EU) 2020/1816 Annex II: Weighted average percentage of benchmark constituents in the controversial weapons sector.”

³⁸ EBA Pillar 3: Template 1: Banking book - Climate change transition risk: Companies in the manufacturing of tobacco products excluded from EU-Paris aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation.

³⁹ This information supports the needs of benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1818 as set out by paragraph b) of article 12.1. and Benchmark Regulation (EU) 2020/1816 Annex II: “Weighted average percentage of benchmark constituents in the tobacco sector.”

	(c) fossil fuel (coal, oil and gas) sector (i.e. the undertaking derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council ¹⁷), including a disaggregation of revenues derived from coal, from oil and from gas); or	SFDR ⁴⁰ EBA Pillar 3 ⁴¹ Benchmark ⁴²
	(d) chemicals production, if the undertaking is a manufacturer of pesticides and other agrochemical products.	SFDR ⁴³ EBA Pillar 3 ⁴⁴
	The undertaking shall disclose whether it is excluded from any EU reference benchmarks that are aligned with the Paris Agreement as described in paragraph 177 of Annex II of this Recommendation.	EBA Pillar 3 ⁴⁵ Benchmark ⁴⁶
Governance	C9 – Gender diversity ratio in governance body If the undertaking has a governance body in place, the undertaking shall disclose the related gender diversity ratio.	SFDR ⁴⁷ Benchmark ⁴⁸

⁴⁰ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts set out by indicator #4 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments (“Exposure to companies active in the fossil fuel sector”).

⁴¹ EBA Pillar 3: Template 1: Banking book - Climate change transition risk: Companies in Mining and quarrying excluded from EU-Paris aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation.

⁴² Benchmark Regulation (EU) 2020/1818 Article 12(1).

⁴³ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts set out by indicator #9 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments (“Investments in companies producing chemicals”).

⁴⁴ EBA Pillar 3: Template 1: Banking book - Climate change transition risk: Companies in Mining and quarrying excluded from EU-Paris aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation.

⁴⁵ This disclosure requirement is consistent with the requirements in Commission Implementing Regulation (EU) 2022/2453 - template 1 climate change transition risk.

⁴⁶ This disclosure requirement is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Article 12.1.

⁴⁷ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts set out by indicator #13 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to disclosures rules on sustainable investments (“Board gender diversity”).

⁴⁸ This information supports the information needs of benchmark administrators to disclose ESG factors subject to Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as set out by indicator “Weighted average ratio of female to male board members” in section 1 and 2 of Annex II.