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# Guidance *on* Collecting *and* Disclosing Human Capital Data

Technical Note

AUGUST 2025

## About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record $56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.


## Acknowledgments

This Technical Note, *Guidance on Collecting and Disclosing Human Capital Data*, was prepared by Charles Canfield and Sarah Cuttaree, from IFC's Corporate Governance Unit, Institutional Risk and Governance Department, in addition to Rani Pooran and Bruno Taborga Bazoberry from IFC's Human Resources Department. It benefited from the valuable contributions of Ralitza Germanova, Manjula K. Nettikumara, Alejandra Vallejos Morales, and Madina Zhanuzakova. It leverages the resources of the IFC Beyond the Balance Sheet online platform. Lastly, we would not have been able to undertake this project without the support of Taiwo Fayose, in her capacity as Director of IFC's Institutional Risk and Governance Department, and Martine Valcin, in her capacity as Country Manager in Tanzania, Rwanda and Uganda. We also thank our editor, Susan Kovach, and our designer Beatriz Calvo. Their collective expertise and collaboration were instrumental in the development of the Technical Note. The Technical Note was produced under IFC's Women on Boards and in Business Leadership Program, led by Anita Vivo and implemented in partnership with the Government of Luxembourg.

# Abbreviations

| | |
|---|---|
| AI | artificial intelligence |
| CSRD | Corporate Sustainability Reporting Directive |
| ESG | Environmental, Social, and Governance |
| ESRS | European Sustainability Reporting Standards |
| EU | European Union |
| GRI | Global Reporting Initiative |
| IFC | International Finance Corporation |
| IRO | impacts, risks, and opportunities |
| ISSB | International Sustainability Standards Board |
| SASB | Sustainability Accounting Standards Board |
| SDG | Sustainable Development Goal |
| SME | small and medium enterprise |
| UNGC | UN Global Compact |

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# Technical Note: Guidance *on* Collecting and Disclosing Human Capital Data

**Objective**

This Technical Note offers guidance to companies on improving **their human capital data disclosures** as part of environmental, social, and governance (ESG) sustainability reporting.

# Why Disclose Human Capital Data?

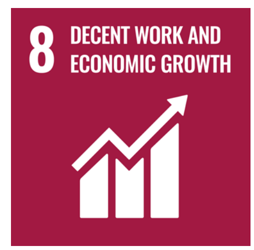
At IFC, human capital data disclosure is essential to sustainable and successful private sector development in emerging markets, and it will continue evolving and becoming more significant. To learn more about the business case for disclosure and transparency, see IFC's online platform, "Beyond the Balance Sheet: Enhancing Disclosure, and Transparency, and Communication."

As more investors commit to the UN Principles for Responsible Investment and look to a company's ESG performance to identify risks and opportunities, data-driven demographic disclosure increases access to capital. Impact and mainstream investors are increasingly demanding ESG information, and human capital disclosure provides them with insight into the company's commitment to the UN Sustainable Development Goals (SDGs), the UN Global Compact, sustainable development, and long-term value creation.

Rating agencies such as Sustainalytics and MSCI evaluate companies' ESG disclosures on human capital demographics by analyzing publicly available information on numerous indicators, including workforce diversity, employee turnover rates, labor practices, and other metrics that reflect a company's commitment to managing its human capital responsibly. The agencies use these data to evaluate how well a company manages its human capital risks and opportunities, which affects its overall ESG rating. Positive assessments validate a company's ESG practices, enhancing its reputation and attractiveness to investors. Similarly, several data providers offer investors information to support investing through a human capital and social lens. For example, Equileap, the score provider of the Euronext® Equileap Gender Equality Eurozone 100 index, provides data on 6,000 companies covering leadership, inclusive workplaces, fair wages, procurement, and labor rights.

Disclosing human capital data provides insight into a company's workforce composition and is essential for providing historically underrepresented groups with access to equal opportunity. Disclosure also aligns with the human right to equality and nondiscrimination, as the Universal Declaration of Human Rights outlines. Companies that act on human capital data disclosure can address the following UN SDGs:


**SDG 5:** Achieve gender equality and empower all women and girls.




**SDG 8:** Promote sustained, inclusive, and sustainable economic growth; full and productive employment; and decent work for all.


**SDG 10:** Reduce inequality within and among countries.


**SDG 12:** Ensure sustainable consumption and production patterns (mainly target 12.6 on sustainability reporting).


### Box 1. IFC Report, Women in Business Leadership Boost ESG Performance

The IFC report, "*Women in Business Leadership Boost ESG Performance*," shows that companies with more gender-diverse leadership perform better on environmental, social, and governance (ESG) indicators. Emerging market companies with at least three women on their boards perform significantly better across ESG metrics than those with all-male boards.

These companies more often manage environmental risks proactively, improve community relations, and uphold ethical standards. Companies with at least 30 percent women directors adopt stronger ESG practices more often and provide better disclosure, especially in the social and governance areas. They also show greater transparency, engage more effectively with stakeholders, and reduce operational risks by improving internal controls. This pattern is especially evident in sectors with high-ESG exposure such as extractives, manufacturing, and financial services. This positive correlation highlights how women in leadership strengthen governance, support inclusive decision-making, and help create long-term value.

Source: IFC.

IFC's Performance Standards provide guidance on evaluating a company's performance related to social and environmental impact, including human rights. To learn more about how IFC's ESG Standards (Performance Standards on Environmental and Social Sustainability and the "Corporate Governance Methodology) address and advance all 17 SDGs, see "Advancing UN Sustainable Development Goals through IFC's Environmental, Social, and Governance Standards."

# Defining Human Capital Data

"Human capital data" refers to the various characteristics of a company's workforce: gender, age, nationality, race and ethnicity, disability, and other identity dimensions. These demographics provide valuable insights into the workforce composition and the effectiveness of policies and practices that promote diversity and equity. For example:

- The percentage of women in senior management positions.
- The proportion of employees with disabilities.
- Representation of different nationalities in the workforce.

Such characteristics are collected and disclosed based on the company's context, including location, business strategy, and regulatory environment and the outcomes of the materiality assessment. Companies typically examine overall demographic representation, supportive practices, and workplace experiences.

### Representation

The proportion of different demographic groups in the workforce, highlighting how various identity groups are distributed across different levels of the organization.

### Supportive practices

Policies and procedures designed to ensure that everyone has the resources and opportunities to succeed, considering the different needs and circumstances of individuals in the workforce to promote fair outcomes.

### Workplace experience

Captures how employees feel about their work environment, especially how valued, respected, and included they feel; often measured through employee engagement surveys that assess employees' perceptions of their workplace culture.

# Steps Before Collecting Human Capital Data

The call for human capital data is built directly into the UN SDGs: "Sustainable Development Goal indicators should be disaggregated, where relevant, by income, sex, age, race, ethnicity, migratory status, disability, and geographic location or other characteristics" (ECOSOC 2016, 7).

However, human capital data collection is context specific. Data collected will vary from company to company based on where the company operates, its business strategy, the regulatory environment, and the outcomes of the materiality assessment.

## Local Legislation and Regulations

Legislation and regulations that specify **what data can be collected and the conditions or requirements for collection** can vary significantly from country to country, so it is important to review and comply with the laws and regulations of the country in which the company operates before collecting and disclosing demographic data. For example, some countries could require the company to use specific ethnic categories. The country's national census can also offer guidance on legally permissible questions, question wording, and demographic categories. Some countries, such as France, expressly prohibit collecting race data (Stillwell 2022).

**Some regulations require listed or large companies to report specific demographic information**.[1] For example, regulations in emerging markets such as Brazil, India, South Africa, and Türkiye require companies to collect and disclose demographic data on women in the workplace and on other human capital characteristics.

Furthermore, 74 exchanges have written ESG disclosure guidance, which includes provisions on disclosing demographic data, primarily but not exclusively related to gender (SSE, IFC, and UN Women 2024).

The European Union (EU) "Corporate Sustainability Reporting Directive" (CSRD) requires companies to report on sustainability under the "European Sustainability Reporting Standards" (ESRS).[2] The directive applies primarily to the largest companies in the EU, though reporting requirements for some have been postponed until 2028. The directive mandates the disclosure of workforce policies on gender, race, ethnicity, religion, nationality, age, disability, and sexual orientation.

Although many small and medium enterprises (SMEs) are not required to comply with the CSRD, voluntary reporting is still essential for understanding supply chain risks, improving resilience, and meeting stakeholder expectations on sustainability. The *Voluntary Sustainability Reporting Standard for Non-listed SMEs helps SMEs* understand and communicate their sustainability performance, which is essential for

1 Typically, the regulations apply only to companies that are either publicly listed or meet specific criteria defining them as "large" under local regulations. For example, the EU "Corporate Sustainability Reporting Directive" (CSRD) applies to companies that meet at least two of the following thresholds: a balance sheet total exceeding €25 million, net turnover of €50 million or more, or at least 250 employees.

2 As part of its Omnibus package, the European Commission has announced measures to make sustainability reporting more accessible and efficient. The Omnibus package includes a proposal to amend the CSRD and simplify ESRS.

identifying supply chain risks, strengthening resilience, and meeting growing stakeholder expectations around sustainability.

Investors also need to report human capital data. The EU Sustainable Finance Disclosure Regulation imposes mandatory ESG disclosure obligations for asset managers and other financial market participants, who must report Principal Adverse Impact indicators, including the gender pay gap.

Even though countries' legal frameworks and regulations on human capital data collection and disclosure vary significantly, the general trend in both developed and emerging markets is toward demographic data collection and disclosure beyond gender.

## Materiality Assessment

"Material information" in the context of financial reporting refers to information that can be expected to influence investor decisions if it were omitted, misstated, or obscured. This is the financial materiality perspective, examining how the environment and stakeholders affect the company's operations. If the company reports beyond the investor's perspective and looks into how its operations affect the environment and stakeholders, it uses the impact materiality. Double materiality, the guiding principle of sustainability reporting, combines the financial and impact materiality perspectives and covers the impacts a company's financial performance has on the environment and people.

A materiality assessment can identify the following material topics:

### Environmental

Greenhouse gas emissions, waste management, water usage, recycling, energy efficiency, and biodiversity impact.

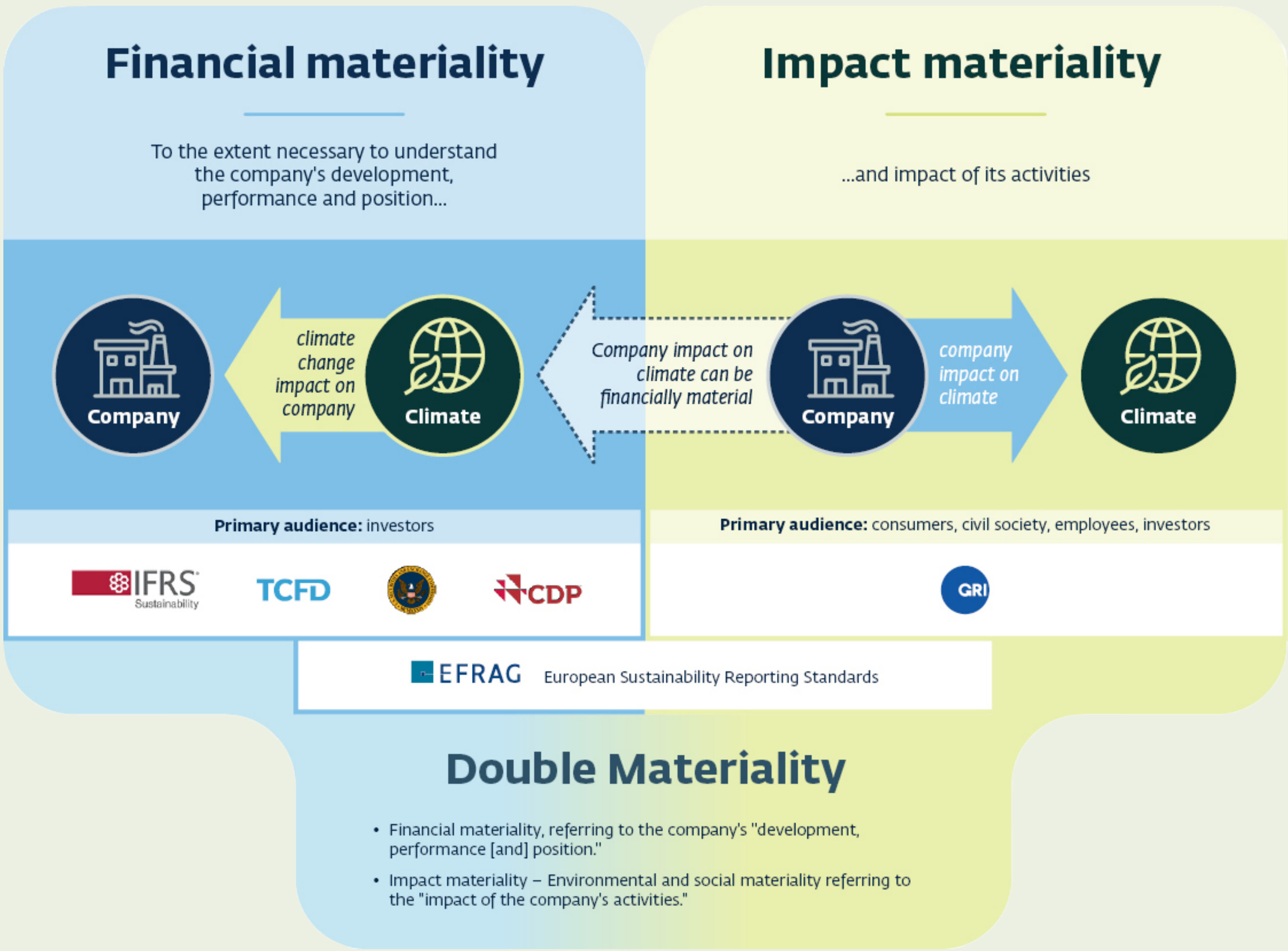
### Social

Employee training and development, talent attraction and retention, labor relations, human rights, diversity and inclusion, health and safety, and employee well-being.

### Governance

Board structure and composition, executive compensation, business ethics and integrity, anti-corruption, and data privacy and security.

**Figure 1. Double Materiality**




Source: IFC as adapted from European Commission 2019, 7.

## Box 2. Double Materiality

CSRD introduces the double materiality requirement that companies assess both their activities' environmental and social impacts and the financial risks those impacts pose to their operations. The requirement ensures that sustainability reporting addresses how companies affect the environment and society while also considering how those factors influence business performance.

An organization can take the following steps in its double materiality assessment process:

01 Identify business activities, including those in the value chain.

02 Identify impacts, risks, and opportunities (IROs).

03 Determine which IROs are material.

04 Conclude and prepare documentation.

Source: Deloitte 2024.

**Determining the materiality of human capital data depends on the context of the company's industry sector, business model, and stakeholders.** Conducting a materiality assessment before collecting data will identify the factors and information that have a substantive impact on the company's value creation, and the assessment results will determine which human capital data to collect and disclose. To learn more about materiality assessments, refer to the *IFC ESG Guidebook* and *IFC's Beyond the Balance Sheet: IFC Toolkit for Disclosure and Transparency*. Another useful reference is the impact materiality assessment method developed by the Global Reporting Initiative (GRI), which focuses on identifying the actual and potential impacts an organization has on the economy, environment, and people (including human rights), regardless of whether those impacts affect financial value. In addition, the SASB Materiality Map provides industry-specific guidance on which sustainability issues are likely to be financially material, helping organizations identify human capital topics that are most relevant to their sector.

# Human Capital Data: What to Collect

Once the company has determined the materiality of its human capital data, the company should collect and analyze data by breaking down workforce representation by pay and grade, job title, geographic location, and division. For example, gender can be broken down by pay grade and division.

Examples of human capital data categories include nationality, race/ethnicity, gender, sexual orientation, age, disability, education level, and language proficiency. Data can be disaggregated further into categories and subcategories. For example, IFC collects race and ethnicity data using the following racial and ethnic categories:

- South Asian or South Asian descent
- Northeast Asian or Northeast Asian descent
- Southeast Asian or Southeast Asian descent
- North African/Middle Eastern or North African/Middle Eastern descent
- Black or Afro descent
- White
- Indigenous or Native Peoples
- Latino/a or Hispanic descent
- Central Asian or Central Asian descent
- Others

The categories allow a company to present its data in clear human capital metrics. Additionally, various workplace metrics are often assessed. For example, pay equity metrics, such as gender pay gap data, assess financial fairness and whether female and male employees are compensated equitably for their work. Other workplace metrics include employee movement (for example, how many women were promoted compared with men), parental leave and other support to caregivers, sexual harassment prevalence and anti–sexual harassment policies, and access to training and professional development opportunities by demographic category.

Workforce composition metrics that analyze human capital demographics along with company dimensions provide a clear picture of the organization's demographic groups and their distribution across its structure. For example, the 2024 Sustainability Report of DBS Group Holdings Ltd., a financial institution based in Singapore, examines its progress in diversity and gender based on percentages of total women in the workforce; women in leadership positions, information technology, engineering roles, and new hires; promotions of women; their attrition; and by rank and pay equity.

Human capital data can also be analyzed through an intersectional lens to examine how the overlap or intersection of various dimensions of identity shapes the employee experience. For example, Australia's Workplace Gender Equality Agency, which collects data related to women and men, emphasizes the need to consider how employees experience multiple, intersecting forms of bias, discrimination, and disadvantage in the workplace. It highlights challenges faced by diverse groups—such as women from culturally diverse backgrounds, women with disabilities, women in rural areas, and Indigenous women—when entering the workplace and advancing in their careers.

# Human Capital Data in Standards, Frameworks, and Indexes

The International Sustainability Standards Board (ISSB) of the IFRS Foundation released its inaugural IFRS Sustainability Disclosure Standards in June 2023. The standards consist of IFRS S1 *General Requirements for Disclosure of Sustainability-Related Financial Information* and IFRS S2 *Climate-Related Disclosures*. The IFRS S1 and IFRS S2 build on and consolidate the SASB standards, the Task Force for Climate-Related Financial Disclosures recommendations, the Integrated Reporting Framework, and the Climate Disclosure Standards Board Framework.

ISSB is making human capital the focal point of its next set of standards but meanwhile is using SASB standards to guide human capital reporting practices. As of August 2022, ISSB assumed responsibility for the SASB Standards. Of the 77 SASB standards, the following industry standards have a strong human capital demographic component:

Technology and communication: policies on diversity and inclusion in employment.

Consumer goods: gender and racial/ethnic diversity metrics for employees and management.

Financials: diversity of the board of directors and employees.

Health care: workforce diversity and inclusion policies and practices.

Services: employee engagement, diversity, and inclusion metrics.

GRI is an international, independent company providing a comprehensive sustainability reporting framework. It helps companies disclose and take responsibility for their social and environmental impact. GRI 405 Diversity and Equal Opportunity 2016 is especially relevant to human capital data disclosure.

The International Organization for Standardization's standard ISO 30415:2021, *Human Resource Management: Diversity and Inclusion*, also offers organizations comprehensive guidelines on human capital management. This standard provides principles, practices, and methods to support values such as fairness, equal opportunity, respect, and integrity. It helps organizations assess and enhance their workplace culture, ensuring inclusive and ethical practices while providing independent recognition of their commitment to these values.

See IFC's "Beyond the Balance Sheet" online platform to learn more about the different global standards and frameworks for sustainability reporting and IFC's approach to sustainability disclosure.

New standards and task forces are addressing demographic and social-related disclosure, such as the Taskforce on Inequality-Related Financial Disclosures, which highlights the growing emphasis on human capital and social disclosure in sustainability reporting.

# How to Collect Human Capital Data

Collecting human capital data requires considering the methodology and trust-building measures carefully. Organizations typically gather these data through anonymous employee engagement surveys and confidential human resources records. Ensuring transparency, protecting employee privacy, and complying with legal and ethical standards are essential in both approaches. This section discusses best practices for data collection, strategies to boost participation, and relevant industry standards that guide inclusive workforce data monitoring.

**Anonymous employee engagement surveys.** Data collected through optional demographic questions in anonymous employee engagement surveys reveal the existence, experiences, and perceptions of various demographic groups.

### Box 3. The Role of Technology in Collecting Human Capital Data

Technology is an indispensable tool in collecting human capital data. Platforms such as Factorial, SAP, and Paradigm can collect and analyze these data effectively. Recruitment software enables companies to gather information during hiring and onboarding, which is often the simplest and most direct way to assess workforce composition. Online employee surveys and digital polling help companies to continually evaluate their workforce.

Companies are increasingly using artificial intelligence (AI) to improve data collection and analysis. AI can help in designing employee surveys that build trust and encourage meaningful participation. It also enables analysis across the entire talent pipeline, including hiring, promotion, retention, and pay equity. AI can identify quantitative metrics, such as demographic differences in promotion rates, and extract qualitative insights from employee engagement surveys to provide a comprehensive picture. AI has limitations, however. It can misinterpret demographic data or exclude certain data sets, so companies should use it with careful oversight.

Source: Colback 2024.

Photo Credit: IFC

**Confidential human resources records.** Companies can collect and monitor data by asking optional demographic questions through the human resources system. However, the optional demographic data are then not anonymous because of the direct link to employees' confidential human resources records. To encourage employees to fill in demographic data voluntarily, companies must clearly communicate why the data are needed and how they will be used. For example, committing to disclose the data only in aggregate encourages employee participation. Using this data collection method yields operational data that allows companies to identify patterns and trends in career development and barriers to progression.

Human capital data are classified as highly sensitive personal data. The collection, access, storage, and use of these data must be subject to the company's privacy policy and local legislation. Whether a company collects demographic data through one or both methods described, privacy policies ensure consistent handling of sensitive personal data across the company.

Consider the following best practices when using either method of demographic data collection:

- Both methods must request only **self-identification data**, meaning that employees are asked to select demographic categories with which they identify.
- Both forms of data collection are **voluntary**, not mandatory.
- Demographic monitoring questions must include options such as "prefer not to say" or "decline to state" and text boxes that allow participants to self-describe if they do not identify with any of the categories stated in the question.
- Both methods must include **consent forms** that inform participants why self-identification diversity data are collected, how data collection complies with legislation and the company's privacy policy, where data will be stored, and who has access.

Besides those two approaches, a growing number of companies are turning to workplace equity and inclusion certification providers. For example, the EDGE Certified Foundation provides organizations with analyses of data and information "related to women and men as diversified groups, to deepen their understanding of, and to measure the intersectionality of gender and other aspects of diversity, such as nonbinary gender identity and LGBTQ+; race or ethnicity; nationality; age; and working with a disability" (EDGE, n.d.).

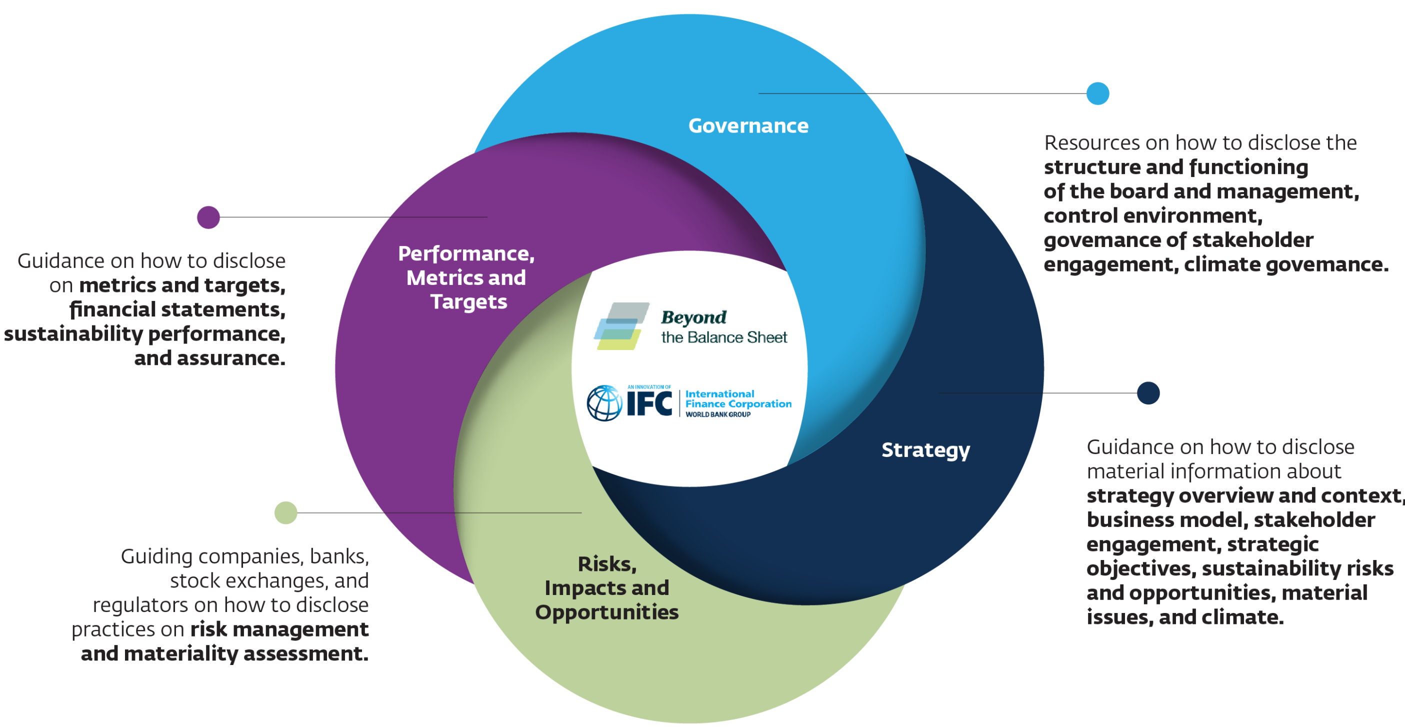
# Where to Report Human Capital Data

IFC's "Beyond the Balance Sheet" online platform also provides guidance on reporting material ESG information. A company can disclose human capital data in its annual report, a sustainability report, or a separate report. How the data are reported depends on the global reporting standard the company uses and the outcomes of its materiality assessment. By linking human capital reporting to one of the global standards, companies can align their disclosures with best practices and ensure that the disclosures meet regulatory requirements and stakeholders' expectations.

If a company chooses to report human capital data in an annual report, IFC recommends organizing the information according to the four pillars of disclosure:

- Governance
- Strategy
- Risks, impacts, and opportunities management
- Performance, metrics, and targets

**Figure 2. Comprehensive and Integrated Reporting. Meeting information needs of all stakeholders**




Source: IFC 2023.

IFC's "Beyond the Balance Sheet" online platform proposes a model structure for an annual report, based on the four pillars and emphasizing the importance of clarity, consistency, and comparability in reporting. The model structure is aligned with the main recommendations of the ISSB's IFRS Sustainability Disclosure Standards and the ESRS.

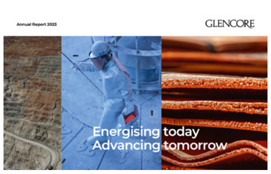
The information featured in the annual report, including human capital data, depends on the company's location, business strategy, and regulatory requirements and the outcomes of the materiality assessment.

Relevant human capital data and information should be incorporated into each section of the proposed model structure of an annual report. For example:

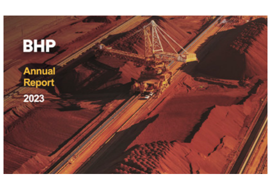
- **Governance:** policies and practices on inclusion and on the collection and disclosure of human capital data.
- **Strategy:** the strategy for human capital demographics, specifically regarding governance, data collection, and social disclosure.
- **Risks, impacts, and opportunities:** impacts and opportunities processes related to equal opportunities and worker grievance mechanisms.
- **Performance, metrics, and targets:** human capital demographic metrics.

Human capital data can be included in a company's annual report or sustainability reports.

**Examples of annual reports with human capital information:**

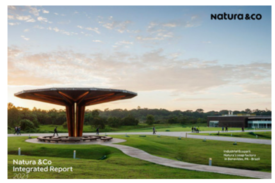



Glencore, globally diversified natural resources company: Glencore 2023 Annual Report



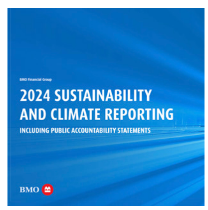

BHP Group Ltd. mining and metals company: BHP Annual Report


Nedbank, South African financial services group: Nedbank Group Governance Report

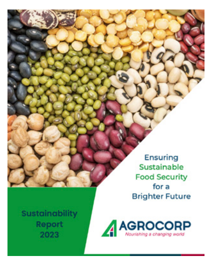



Natura &Co, Brazilian global personal care cosmetics group: Natura &Co Integrated Report 2023

**Examples of sustainability reports with human capital information:**




BMO, North American financial institution: BMO 2024 Sustainability Report




Agrocorp International, Singapore-based agri-food products company: Agrocorp International Sustainability Report 2023


Woolworths Group, Australian multinational retail and finance company: Woolworths Group 2023 Sustainability Report


Holcim Group, building materials: Holcim Sustainability Performance Report 2024

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# Appendix A. Disclosure Standards: Example of Characteristics Related to Human Capital

## Gender

| Standards | Characteristics Collected |
|---|---|
| Global Reporting Initiative (GRI) | GRI standards require disclosure of gender diversity, including the composition of governance bodies and the gender breakdown of employee categories. |
| IFRS Sustainability Disclosure Standards: Sustainability Accounting Standards Board (SASB) Standards | SASB standards often include metrics on gender diversity, in both leadership and the overall workforce. Companies may be asked to report the percentage of gender representation across employee categories. |
| European Sustainability Reporting Standards (ESRS) | ESRS S1 mandates detailed gender-related disclosures, including:<br>• Total employee head count by gender<br>• Proportion of women and men in top management positions<br>• Gender pay gap data, including average salary and wage differences across employee categories<br>• Participation in training programs by gender, showing investment in career development<br>• Uptake of family-related leave such as maternity, paternity, or parental leave by gender, indicating the company's support for work-life balance and family care |
| UN Global Compact | UNGC principle 6 on eliminating discrimination in employment promotes gender equality and encourages companies to report on gender initiatives. |
| IFC Performance Standards | IFC Performance Standard 2 promotes gender equality and women's empowerment in the workplace, aligning with Sustainable Development Goal (SDG) 5. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as gender, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation, especially gender diversity, strengthens decision-making and supports effective governance. |

## Disability

| Standards | Characteristics Collected |
|---|---|
| Global Reporting Initiative (GRI) | GRI standards encourage organizations to report on the inclusion of persons with disabilities, although reporting is not mandatory in all cases and depends on the issue's context and materiality. |
| IFRS Sustainability Disclosure Standards: Sustainability Accounting Standards Board (SASB) Standards | SASB standards do not usually treat disability as a separate disclosure category, but companies may include this information within broader diversity reporting if material to their operations. |
| European Sustainability Reporting Standards (ESRS) | ESRS S1 requires companies to report the percentage of employees with disabilities, offering a measure of workplace inclusivity. These data must be disaggregated by gender to show how disability representation aligns with gender diversity. |
| UN Global Compact (UNGC) | UNGC principles do not explicitly mention disability inclusion but cover it under human rights and nondiscrimination principles. |
| IFC Performance Standards | IFC Performance Standard 2 includes nondiscrimination principles that support the inclusion of persons with disabilities and contribute to SDG 10. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as disability, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation strengthens decision-making and supports effective governance. |

## Race/Ethnicity

| Standards | Characteristics Collected |
|---|---|
| Global Reporting Initiative (GRI) | GRI standards include race and ethnicity in reporting when the information is relevant and material to the company's operations and can be collected in compliance with local laws and regulations. |
| IFRS Sustainability Disclosure Standards: Sustainability Accounting Standards Board (SASB) Standards | SASB standards may require disclosure of racial and ethnic diversity in the workforce, including management roles, similar to gender reporting. |
| European Sustainability Reporting Standards (ESRS) | ESRS S2 may consider race and ethnicity under "other aspects of diversity." |
| | UNGC principles against discrimination include race and ethnicity and encourage reporting on inclusion in this area. |
| UN Global Compact | IFC Performance Standard 2 prohibits employment discrimination based on race or ethnicity and promotes workplace equality. It supports fair treatment in all employment practices and aligns with SDG 10, which aims to reduce inequalities within and among countries. |
| IFC Performance Standards | IFC Performance Standard 7 addresses the rights of Indigenous Peoples and supports SDG 10 by working to reduce inequalities based on race, ethnicity, and cultural identity. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as race/ethnicity, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation strengthens decision-making and supports effective governance. |

## Sexual Orientation

| Standards | Characteristics Collected |
|---|---|
| Global Reporting Initiative (GRI) | GRI standards do not explicitly require reporting on sexual orientation, but GRI 406 on nondiscrimination may cover policies and practices that affect lesbian, gay, bisexual, transgender, and intersex (LGBTI) employees. |
| IFRS Sustainability Disclosure Standards: Sustainability Accounting Standards Board (SASB) Standards | SASB standards do not typically address sexual orientation as a separate category, but some industry standards include employee diversity and inclusion as a disclosure topic, allowing companies to define diversity across multiple dimensions, including sexual orientation. |
| European Sustainability Reporting Standards (ESRS) | ESRS S2 may include sexual orientation under "other aspects of diversity." |
| UN Global Compact | UNGC principles consider sexual orientation under nondiscrimination and encourage companies to report on policies that support LGBTQI inclusion. |
| IFC Performance Standards | IFC Performance Standard 2 includes non-discrimination principles that support the inclusion of all individuals regardless of sexual orientation, contributing to SDG 10. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as sexual orientation, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation strengthens decision-making and supports effective governance. |

## Nationality/Language

| **Standards** | **Characteristics Collected** |
|---|---|
| Global Reporting Initiative (GRI) | GRI standards do not typically require reporting on nationality, but it may be relevant when describing operations in different countries or regions. |
| European Sustainability Reporting Standards (ESRS) | ESRS may include nationality within broader diversity reporting requirements. |
| UN Global Compact | UNGC principles do not directly address nationality but cover it under nondiscrimination and equal opportunity principles. |
| IFC Performance Standards | IFC Performance Standard 2 includes nondiscrimination principles that ensure fair treatment of workers of all nationalities, aligning with SDG 10. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as nationality/language, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation strengthens decision-making and supports effective governance. |

## Age/Generation

| Standards | Characteristics Collected |
|---|---|
| Global Reporting Initiative (GRI) | GRI standards require reporting on the age distribution of the workforce and governance bodies, often using specified age group breakdowns. |
| European Sustainability Reporting Standards (ESRS) | ESRS may include age and generation in broader workforce diversity disclosures |
| UN Global Compact | UNGC principles do not directly address age and generation but cover it under nondiscrimination and equal opportunity principles. |
| IFC Performance Standards | Performance Standard 2 supports fair treatment of workers, which can include age-related considerations, contributing to SDG 10. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as age/generation, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation strengthens decision-making and supports effective governance. |

## Parental Status

| Standards | Characteristics Collected |
|---|---|
| Global Reporting Initiative (GRI) | ESRS S1 does not explicitly require reporting on parental status as a separate category but includes disclosure of related metrics, such as the percentage of employees who have taken family leave, disaggregated by gender. This provides indirect data on how the company supports parents and may reflect the level of engagement and accommodation for employees with children. |
| UN Global Compact | UNGC principles do not directly address parental status but cover it under nondiscrimination and equal opportunity principles. |
| IFC Performance Standards | IFC Performance Standard 2 may address parental leave and benefits indirectly, supporting SDG 5's focus on women's economic empowerment and SDG 8's promotion of decent work for all. |
| IFC Corporate Governance Methodology - Structure and Functioning of the Board of Directors | IFC's Corporate Governance Methodology recommends including diversity, such as parental status, in board composition as a good practice for board structure and functioning. These standards emphasize that diverse representation strengthens decision-making and supports effective governance. |

# Appendix B.
# Disclosure Standards: Example of Metrics Related to Human Capital

This appendix lists several sustainability reporting standards as they relate to collecting and disclosing metrics related to human capital (for example, operational and sentiment data disaggregated by diversity characteristic) for.

### 1. Global Reporting Initiative (GRI)

- GRI 405: Diversity and Equal Opportunity
  -**Disclosure 405-1:** Diversity of governance bodies and employees
  -**Disclosure 405-2:** Ratio of basic salary and remuneration of women to men

- GRI 406: Nondiscrimination
  -**Disclosure 406-1:** Incidents of discrimination and corrective actions taken

- GRI 404: Training and Education
  -**Disclosure 404-1:** Average hours of training per year per employee
  -**Disclosure 405-2:** Ratio of basic salary and remuneration of women to men

- GRI 2: General Disclosures
  -**Disclosure 2-8:** Workers who are not employees
  -**Disclosure 2-7:** Employees by gender and region
  -**Disclosure 2-9:** Governance structure and composition by gender and underrepresented groups
  -**Disclosure 2-10:** Nomination and selection of the highest governance body with a look at diversity

For an organization's governance bodies:

- The percentage of individuals by gender.
- The percentage of individuals by age group, categorized as under age 30, ages 30 to 50, and over age 50.
- The percentage of individuals by other relevant diversity indicators, such as representation of minority or vulnerable groups.

For an organization's employees:

- The percentage of employees by gender for each employee category.
- The percentage of employees by age group for each employee category, categorized as under age 30, ages 30 to 50, and over age 50.

- The percentage of employees by other relevant diversity indicators for each category, such as the representation of minority or vulnerable groups.

**2. IFRS Sustainability Disclosure Standards: SASB Standards[3]**

- **Workforce composition.** Percentage of employees by gender and diversity group representation across various categories:

  -**Executive management.** Required in the following sectors: asset management and custody activities, investment banking and brokerage, advertising and marketing, e-commerce, software and IT services, internet media and services, multiline and specialty retailers and distributors.
  -**Non-executive management.** Required in the following sectors: asset management and custody activities, investment banking and brokerage, advertising and marketing, e-commerce, software and IT services, internet media and services, multiline and specialty retailers and distributors.
  -**Technical employees.** Required in the following sectors: software and IT services, internet media and services, hardware, e-commerce.
  -**All other employees.** Required in the following sectors: asset management and custody activities, investment banking and brokerage, advertising and marketing, e-commerce, software and IT services, internet media and services, multiline and specialty retailers and distributors.

- **Employee turnover.** Gender disaggregated data on voluntary and involuntary turnover rates, required in the following sectors: professional and commercial services, multiline and specialty retailers and distributors, e-commerce.

- **Legal proceedings and employment discrimination.** Monetary losses from legal actions related to discrimination, required in the following sectors: multiline and specialty retailers and distributors, e-commerce.

- **Workforce engagement and recruitment.** Gender disaggregated data on human resources practices, including on:

  -**Employee engagement levels as a percentage.** Required in the following sectors: professional and commercial services, internet media and services, software and IT services.
  -**Gender-disaggregated recruitment statistics to measure gender parity in hiring practices.** Required in the following sectors: e-commerce, internet media and services, multiline and specialty retailers and distributors.

**3. European Sustainability Standards (ESRS)[4]**

ESRS S1

- Characteristics of undertaking's employees, number of employees by gender (table)
- Characteristics of undertaking's employees, information of employees by contact type and gender
- Further detailed breakdown by gender and by region (table)

3 Source: SSE, IFC, and UN Women 2025
4 As part of its Omnibus package, the European Commission has announced measures to make sustainability reporting more accessible and efficient and under which a revision of ESRS is expected before the end of 2025.

- Gender distribution in several employees (headcount) at the top management level
- Gender distribution in the percentage of employees at the top management level
- Percentage of employees with disabilities in their workforce breakdown by gender (table)
- Training and skills development indicators gender (table)
- Average Number of training hours by gender (table)
- Percentage of entitled employees that took family-related leave by gender (table)
- Gender pay gap
- Gender pay gap breakdown by employee category and/or country/segment (table)
- Gender pay gap breakdown by employee category and ordinary basic salary and complementary or variable components

ESRS S2[5]

- Percentage of members of administrative and supervisory bodies by gender and other aspects of diversity
- Board's gender diversity ratio

### 4. UN Global Compact

The UN Global Compact requires business participants to complete a questionnaire annually on their progress on sustainability, called *Communication on Progress*, or upload a sustainability report, or both. The document's 66 questions include 77 percent multiple choice questions, 15 percent quantitative questions, and 8 percent requiring narrative answers. The following are examples of questions that relate to human capital demographics.

**Please provide details regarding the company's board/highest governance body.**
The questionnaire provides fields to input data such as the total number of board members and the percentages of which are male, female, and other; under age 30, ages 30 to 50, and above age 50; and the percent of executives and independents from minority or vulnerable groups.

**What is the gender representation of the company's C-suite or equivalent leadership positions?**
Ten C-suite job titles are listed (including "other"), and respondents can answer from the following choices: women, men, other (nonbinary), not applicable, and choose not to disclose

**Does the company have a policy commitment in relation to the following human rights and labor rights topics?**
"Gender equality and women's rights" is listed as a human and labor rights topic, and follow-up questions apply.

5 Other than gender, the ESRS do not provide explicit details on other diversity characteristics such as race/ethnicity, sexual orientation, nationality, language, and age/generation. However, ESRS S2 mentions "other aspects of diversity," which could include these components, depending on the interpretation and finalization of the standards:

- Race/ethnicity may be considered under "other aspects of diversity" in ESRS S2
- Sexual orientation could be included in "other aspects of diversity" in ESRS S2
- Nationality might be part of broader diversity reporting requirements.
- Language is not mentioned explicitly but could be relevant to broader workforce diversity disclosures.
- Age/generation could be included in broader workforce diversity disclosures.

### 5. IFC's Environmental and Social (E&S) Performance Indicators for Capital Markets

The Environmental and Social Performance Indicators for Capital Markets, based on the IFC Performance Standards, are a sustainability data framework aimed at reducing the ESG data reporting burden and enhancing sustainability reporting in emerging capital markets. They are divided into eight parts, mapped to each performance standard. Part 2, "Labor and Working Conditions," includes the following indicators and metrics:

- Gender equality: Workforce composition disaggregated by gender.
- Nondiscrimination and equal opportunity: A formal policy exists to avoid discrimination in hiring, wages, and promotions.
- Formal provisions to avoid sexual harassment at work: Formal arrangements exist to avoid sexual harassment at work, including a sexual harassment policy with (at a minimum) a mechanism to file complaints anonymously and confidentially, along with trained human resources staff to review sexual harassment cases.

### 6. IFC's Corporate Governance Performance Indicators for Capital Markets

The Corporate Governance Performance Indicators for Capital Markets, based on the IFC Corporate Governance Methodology, are a sustainability data framework aimed at reducing the ESG data reporting burden and enhancing sustainability reporting in emerging capital markets. They are divided into six parts, mapped to each dimension of the methodology. Part B, "Structure and Functioning of Board of Directors," includes the following indicators and metrics:

- Board diversity: At least 25 percent of board members are women (nonpromoter or sponsor).
- Diversity in senior management: At least 25 percent of C-suite positions or senior management are held by women.

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