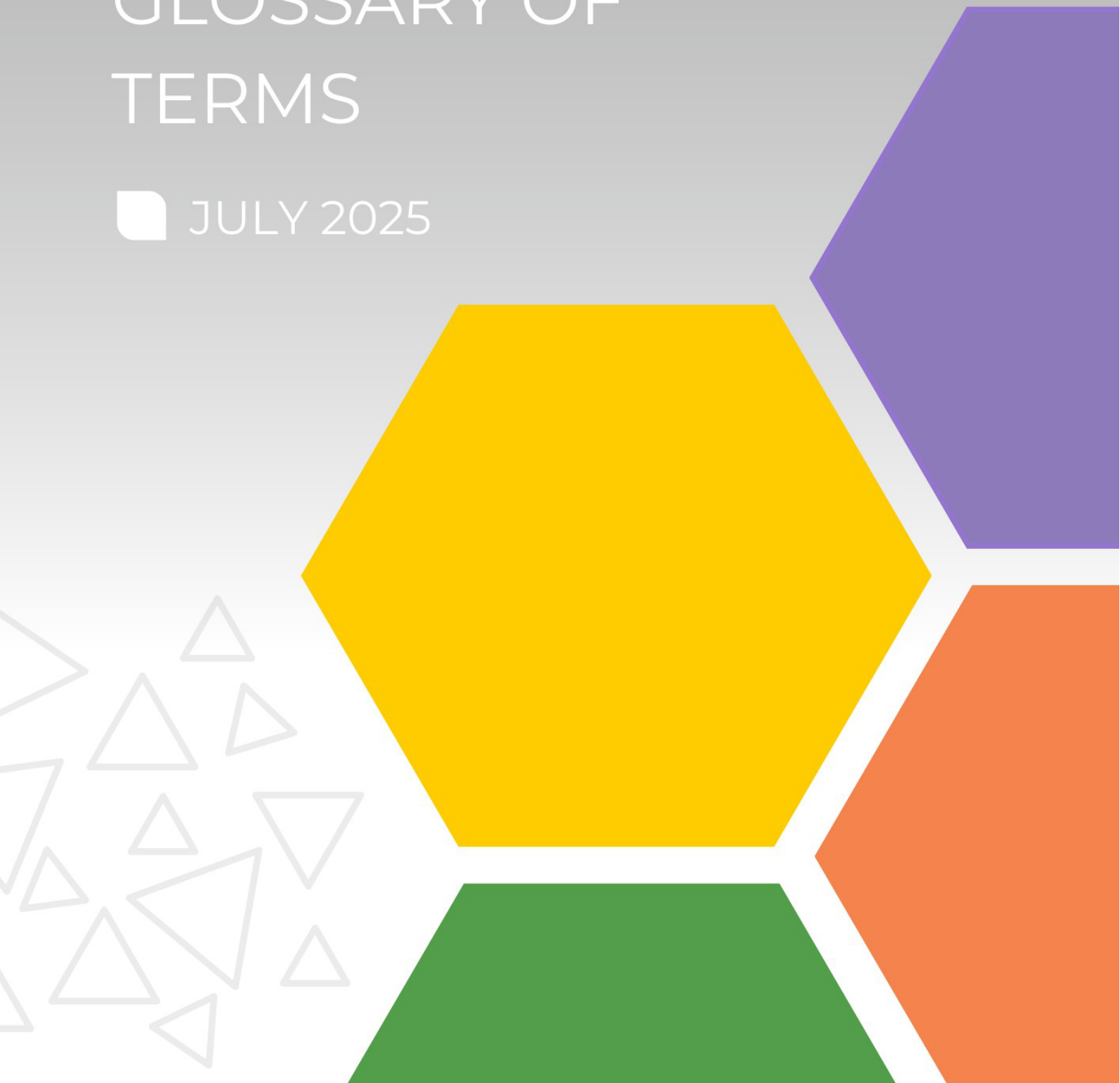


AGGREGATED ACRONYMS AND GLOSSARY OF TERMS

 JULY 2025



Disclaimer

The *Aggregated acronyms and glossary of terms* accompanies but is not part of the ESRS Amendments Exposure Drafts. It complements and should be read in conjunction with the [DRAFT] Amended 12 Exposure Drafts. It does not reflect the position of the European Union or the European Commission DG Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

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ANNEX II

ACRONYMS AND GLOSSARY OF TERMS

This Annex presents all the acronyms found in the [Draft] Amended ESRS (Table 1) as well as all terms defined in the [Draft] Amended ESRS (Table 2).

Table 1

Acronyms

AMS	Automated Measuring Systems
AR	Application Requirements
AWS	Alliance for Water Stewardship
BP-1	Disclosure Requirement – Basis for preparation of the sustainability statements
BP-2	Disclosure Requirement – Specific information if the undertaking uses phasing-in options
Btu	British Thermal Units
CapEx	Capital Expenditure
CBD	Convention for Biological Diversity
CDDA	Common Database on Designated Areas
CEN	European Committee for Standardization
CENELEC	European Committee for Electrotechnical Standardization
CH₄	Methane
CICES	Common International Classification of Ecosystem Services
CO₂	Carbon Dioxide
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council ¹ (Capital Requirements Regulation)
DNSH	Do No Significant Harm
EBA	European Banking Authority
EC	European Commission

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

EEA	European Economic Area
EFRAG	European Financial Reporting Advisory Group
EFRAG SRB	European Financial Reporting Advisory Group - Sustainability Reporting Board
EIA	Environmental Impact Assessment
EMAS	Eco-Management and Audit Scheme
EPC	Energy Performance Certificate
ESA	European Supervisory Authorities
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
ESRS 1	European Sustainability Reporting Standard 1 General requirements
ESRS 2	European Sustainability Reporting Standard 2 General disclosures
ESRS E1	European Sustainability Reporting Standard E1 Climate change
ESRS E2	European Sustainability Reporting Standard E2 Pollution
ESRS E3	European Sustainability Reporting Standard E3 Water
ESRS E4	European Sustainability Reporting Standard E4 Biodiversity and ecosystems
ESRS E5	European Sustainability Reporting Standard E5 Resource use and circular economy
ESRS G1	European Sustainability Reporting Standard G1 Business conduct
ESRS S1	European Sustainability Reporting Standard S1 Own workforce
ESRS S2	European Sustainability Reporting Standard S2 Workers in the value chain
ESRS S3	European Sustainability Reporting Standard S3 Affected communities
ESRS S4	European Sustainability Reporting Standard S4 Consumers & end-users
EU	European Union
EU ETS	European Union Emissions Trading System
EWC	European Works Council
FPIC	Free, Prior and Informed Consent
FTE	Full-time equivalent

GAAP	Generally Accepted Accounting Principles
GDR-A	General Disclosure Requirement for actions and resources
GDR-M	General Disclosure Requirement for metrics
GDR-P	General Disclosure Requirement for policies
GDR-T	General Disclosure Requirement for targets
GHG	Greenhouse Gas
GJ	Giga-Joules
GOV-1	Disclosure Requirement – The role of the administrative, management and supervisory bodies in relation to sustainability
GOV-2	Disclosure Requirement – Integration of sustainability- related performance in incentive schemes
GOV-3	Disclosure Requirement – Statement on due diligence
GOV-4	Disclosure Requirement – Risk management and internal controls over sustainability reporting
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HFCs	Hydrofluorocarbons
IED 2.0	Directive 2024/1785/EU of the European Parliament and of the Council ² (Industrial and Livestock Rearing Emissions Directive)
IEPR	Industrial Emissions Portal Regulation
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
IRO-1	Disclosure Requirement – Description of the process to identify and assess material impacts, risks and opportunities and material information to be reported

² Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

IRO-2	Disclosure Requirement – Material impacts, risks and opportunities and Disclosure Requirements included in the sustainability statement
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ITS	Implementing Technical Standards
IUCN	International Union for Conservation of Nature
KBA	Key Biodiversity Areas
Kg	Kilogram
Lb	Pounds
LEAP	Locate Evaluate Assess Prepare
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex
MWh	Mega-Watt-hours
N₂O	Nitrous Oxide
NACE	Statistical Classification of Economic Activities in the European Community
NF₃	Nitrogen trifluoride
NGOs	Non-Governmental Organisations
NH₃	Ammonia
NOX	Nitrogen oxides
NUTS	Nomenclature of Territorial Units of Statistics
O₃	Ozone
ODS	Ozone-depleting substance
OECD	Organisation for Economic Co-operation and Development
OECDM	One Earth Climate Model
OpEX	Operating Expenditure
PBTS	Persistent, bioaccumulative and toxic substances
PCAF	Partnership for Carbon Accounting Financial

PCFs	Perfluorocarbons
PM	Particulate Matter
PMTs	Persistent, Mobile and Toxic Substances
POPs	Persistent organic pollutants
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
SBM-1	Disclosure Requirement – Strategy, business model and value chain
SBM-2	Disclosure Requirement – Interests and views of stakeholders
SBM-3	Disclosure Requirement – Interaction of material impacts and opportunities with strategy and business model, and financial effects
SBTi	Science Based Targets Initiative
SBTN	Science Based Targets Network
SCE	Societas Cooperativa Europaea
SDA	Sectoral Decarbonisation Approach
SDGs	Sustainable Development Goals
SDPI	Sustainable Development Performance Indicator
SE	Societas Europaea
SEEA	System of Environmental-Economic Accounting
SEEA EA	System of Environmental-Economic Accounting Ecosystem Accounting
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council ³ (Sustainable Finance Disclosures Regulation)
SOX	Sulphur oxides
SVHC	Substances of Very High Concern
TCFD	Task Force on Climate-Related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UN	United Nations
UNEP	United Nations Environment Programme

³ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

UNESCO	United Nations Educational, Scientific and Cultural Organization
vPvBs	Very persistent and very bioaccumulative substances
vPvMs	Very persistent and very mobile substances
WDPA	World Database of Protected Areas
WRI	World Resources Institute
WWF	World-Wide Fund for Nature

Table 2

Terms defined in the ESRS

This table defines the terms to be used as reference for the preparation of the sustainability statements in accordance with the ESRS.

Defined term	Definition
Actions	<p>[AMENDED]</p> <p>Actions refer to:</p> <ul style="list-style-type: none"> i. actions and action 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. <p>Actions can be individual actions, taken only by the undertaking, or collective actions, this is, collaborative efforts by a group of stakeholders - such as undertakings, governments, civil society, or communities - to address shared challenges or achieve common goals, particularly when those goals cannot be effectively achieved by any single actor working alone.</p>
Actual Impacts	<p>[NEW]</p> <p>Actual impacts are those that have already occurred in the reporting period or in prior years.</p>
Actor in the value chain	<p>Individuals or entities in the upstream or downstream value chain. The actor is considered downstream from the undertaking (e.g., distributors, customers) when it receives products or services from the undertaking; it is considered upstream from the undertaking (e.g., suppliers) when it provides products or services that are used in the production of the undertaking's own products or services.</p>
Adequate wage	<p>A wage that provides for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions.</p>
Administrative, management and supervisory bodies	<p>The governance bodies with the highest decision-making authority in the undertaking including its committees. If in the governance structure, there are no members of the administrative, management or supervisory bodies of the undertaking, the CEO, and if such function exists, the deputy CEO, should be included. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated. In such cases, both tiers are included under the definition of administrative, management and supervisory bodies.</p>
Affected communities	<p>People or group(s) living or working in the same 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.</p>

Defined term	Definition
Annual total remuneration	Annual total remuneration to own workforce includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.
Anticipated financial effects	Financial effects that do not meet the recognition criteria for inclusion in the financial statement line items in the reporting period and that are not captured by the current financial effects .
Area at water risk	A water catchment, where several physical aspects related to water: <ul style="list-style-type: none"> i. lead to one or more water bodies to be in less than good status and / or deteriorate in status (as defined in Directive 2000/60/EC of the European Parliament and of the Council⁴), thus pointing to significant issues as regards water availability, quality, quantity (including high water-stress); and/or ii. lead to issues as regards accessibility of water, regulatory or reputational issues (including the shared use of water with communities and affordability of water) for its facilities and for the facilities of key supplier(s).
Area of high-water stress	[AMENDED] Water stress is the ability of an area, or lack thereof, to meet the human and ecological demand for water. Based on the different publicly available and credible tools for assessing areas with water stress, water stress in an area may be assessed using either of the following indicators and their thresholds: <ul style="list-style-type: none"> i. The ratio of total annual water withdrawal to total available annual renewable water supply (i.e., baseline water stress) is high (40-80%) or extremely high (>80%); ii. The ratio of water consumption-to-availability (i.e., water depletion) is moderate (dry-year depletion, where for at least 10% of the time, the monthly depletion ratio is >75%), high (seasonal depletion, where for one month of the year on average, the depletion ratio is >75%), or very high (ongoing depletion, where the depletion ratio on average is >75%).
Associated process materials	Materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery.
Biodiversity loss	[AMENDED] The reduction of any aspect of biological diversity (i.e., diversity at the genetic, species and ecosystem levels) in a particular area through death (including extinction), destruction or physical removal; it can refer to many scales, from global extinctions to population extinctions, resulting in decreased total diversity at the same scale.

⁴ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

Defined term	Definition
Biodiversity or biological diversity	The variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part. This includes variation in genetic, phenotypic, phylogenetic, and functional attributes, as well as changes in abundance and distribution over time and space within and among species, biological communities and ecosystems .
Biodiversity sensitive area	<p>[AMENDED]</p> <p>Biodiversity sensitive areas are:</p> <ul style="list-style-type: none"> i. areas protected through legal or other effective means, including Natura 2000, UNESCO World Heritage Sites, Ramsar sites, and other protected areas, for instance defined by national legislation sources; and ii. areas included under Key Biodiversity Areas ('KBAs'), Ecologically or Biologically Significant Marine Areas (EBSAs), IUCN Red List of Ecosystems or habitats of species listed in IUCN Red List of Threatened Species (which are scientifically recognized for its importance for biodiversity).
Biological materials	<p>[NEW]</p> <p>Materials of biological origin, excluding those embedded in geological formations or transformed into fossilized material. These include both living and dead organic materials, such as trees, crops, grasses, algae, animals, and biological waste like manure.</p>
Bribery	Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.
Business model	The undertaking's system of transforming inputs through its activities into outputs and outcomes that aims to fulfil the undertaking's strategic purposes and create value over the short-, medium- and long-term. ESRS use the term ' business model ' in the singular, although it is recognised that undertakings may have more than one business model.
Business relationships	The relationships the undertaking has with business partners, entities in its value chain , and any other non-State or State entity directly linked to its business operations, products or services. Business relationships are not limited to direct contractual relationships. They include indirect business relationships in the undertaking's value chain beyond the first tier, and shareholding positions in joint ventures or investments.
By-product	<p>A substance or object resulting from a production process the primary aim of which is not the production of that substance or object is considered not to be waste, but to be a by-product if the following conditions are met:</p> <ul style="list-style-type: none"> i. further use of the substance or object is certain; ii. the substance or object can be used directly without any further processing other than normal industrial practice; iii. the substance or object is produced as an integral part of a production process; and iv. further use is lawful, i.e., the substance or object fulfils all relevant product, environmental and health protection requirements for the specific use and will not lead to overall adverse environmental or human health impacts.

Defined term	Definition
Carbon credit	A transferable or tradable instrument that represents one metric tonne of CO ₂ eq emission reduction or removal and is issued and verified according to recognised quality standards.
Carbon dioxide (CO₂) equivalent (eq)	The universal unit of measurement to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases on a common basis.
Child labour	<p>Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:</p> <ul style="list-style-type: none"> i. is mentally, physically, socially or morally dangerous and harmful to children; and/or ii. interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. <p>A child is defined as a person under the age of 18. Whether or not particular forms of ‘work’ can be called ‘child labour’ depends on the child’s age, the type and hours of work performed and the conditions under which it is performed. The answer varies from country to country, as well as among sectors within countries.</p> <p>The minimum age of work should not be less than the minimum age of completion of compulsory schooling, and, in any case, should not be less than 15 years according to International Labour Organisation (ILO) Convention No. 138 on Minimum Age. Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies.</p> <p>These countries of exception are specified by the International Labour Organisation (ILO) in response to a special application by the country concerned and in consultation with representative organisations of employers and workers.</p> <p>National laws may permit the employment of persons 13 to 15 years of age in light work as long as it is not likely to be harmful to their health or development and does not prejudice their attendance at school or participation in vocational or training programmes. The minimum age for admission into work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.</p>
Circular economy	An economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy .

Defined term	Definition
Circular economy principles	The European circular economy principles are: <ul style="list-style-type: none"> i. usability; ii. reusability; iii. repairability; iv. disassembly; v. remanufacturing or refurbishment; vi. recycling; vii. recirculation by the biological cycle; viii. other potential optimisation of product and material use.
Circular material use rate	[AMENDED] The use rate is defined as the ratio of circular use of materials to overall use of materials.
Classified information	EU classified information as defined in Council Decision 2013/488/EU ⁵ on the security rules for protecting EU classified information or classified by one of the Member States and marked as per Appendix B of that Council decision.
Climate change adaptation	The process of adjustment to actual and expected climate change and its impacts .
Climate change mitigation	The process of reducing GHG emissions and holding the increase in the global average temperature to 1,5 °C above pre-industrial levels, in line with the Paris Agreement.
Climate resilience	The capacity of an undertaking to adjust to climate changes, and to developments or uncertainties related to climate change. Climate resilience involves the capacity to manage climate-related Scope 1 and benefit from climate-related opportunities , including the ability to respond and adapt to transition risks and physical risks . An undertaking's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments or uncertainties associated with climate change.
Climate-related opportunity	Potential positive effects related to climate change for the undertaking. Efforts to mitigate and adapt to climate change can produce opportunities for undertakings. Climate-related opportunities will vary depending on the region, market, and industry where an undertaking operates.
Climate-related physical risk (Physical risk from climate change)	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.
Climate-related transition risk	Risks that arise from the transition to a low-carbon and climate-resilient economy. They typically include policy risks , legal risks , technology risks , market risks and reputational risks .

⁵ 2013/488/EU: Council Decision of 23 September 2013 on the security rules for protecting EU classified information (OJ L 274, 15.10.2013, p. 1).

Defined term	Definition
Collective bargaining	<p>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:</p> <ul style="list-style-type: none"> 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.
Confirmed incident of corruption or bribery	<p>[AMENDED]</p> <p>Confirmed incidents of corruption or bribery do not include incidents of corruption or bribery that are still under investigation at the end of the reporting period. The determination of potential non-compliance cases as substantiated may be made either by the undertaking's compliance officer or similar function or an authority. A determination as substantiated by a court of law is not required.</p>
Consumer	<p>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.</p>
Corporate culture	<p>Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.</p>
Corruption	<p>Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, 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.</p>
Credible proxies	<p>Individuals with sufficiently deep experience in engaging with affected stakeholders from a particular region or context (for example, women workers on farms, indigenous peoples or migrant workers) who can help to effectively convey their likely concerns. In practice, this can include development and human rights NGOs, international trade unions and local civil society, including faith-based organisations.</p>
Critical raw materials	<p>[NEW]</p> <p>Critical raw materials are materials that have high economic importance and are subject to supply risk, due to factors such as geographic concentration, economic or geopolitical limitations, or difficulties in substitution.</p> <p>Critical raw materials are those listed in Annex II, Section 1 in the Critical Raw Materials Acts (2023).</p>
Current financial effects	<p>Financial effects for the current reporting period that are recognised in the primary financial statements.</p>

Defined term	Definition
Decarbonisation levers	Aggregated types of mitigation actions such as energy efficiency, electrification, fuel switching, use of renewable energy , products change, and supply-chain decarbonisation that fit with undertakings' specific actions .
Deforestation	Temporary or permanent human-induced conversion of forested land to non-forested land ⁶ .
Dematerialisation	[NEW] The design for longer life and reducing resource intensity while maintaining adequate performance of a product or service, supporting the circular economy by minimizing resource input and maximizing value retention.
Dependencies	The situation of an undertaking being dependent on natural, human and/or social resources for its business processes.
Desertification	Land degradation in arid, semi-arid and dry sub-humid areas resulting from various factors, including climatic variations and human activities. Desertification does not refer to the natural expansion of existing deserts.
Discharge	Wastewater discharge means the amount of water (in m3) or substance (in kg BOD/d or comparable) added / leached to a water body from a point or a non-point source. Sewage effluent (or discharge) means treated sewage discharged from a sewage treatment plant.
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, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a 'protected ground'. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group is disadvantaged by a decision when compared to a comparator group.
Dismantling	[NEW] Process of breaking down a complex product or system into its constituent parts or materials.
Double materiality	[AMENDED] Double materiality has two dimensions: impact materiality and materiality . A sustainability topic meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.

⁶ Annex I point 21 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 regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (OJ L 196, 25.7.2022, p. 1).

Defined term	Definition
Drivers of ecosystem and biodiversity change	<p>[AMENDED]</p> <p>All the factors that, directly or indirectly, cause changes in nature, anthropogenic assets, nature's contributions to people and a good quality of life. Direct drivers of change can be both natural and anthropogenic. They have direct physical (mechanical, chemical, noise, light etc.) and behaviour-affecting impacts on nature. They include, inter alia, climate change, pollution, different types of land use change, invasive alien species and zoonoses, and exploitation. Indirect impact drivers operate diffusely by altering and influencing direct drivers as well as other indirect drivers. They do not impact nature directly. Rather, they do it by affecting the level, direction or rate of direct drivers. Interactions between indirect and direct drivers create different chains of relationship, attribution, and impacts, which may vary according to type, intensity, duration, and distance. These relationships can also lead to different types of spill-over effects. Global indirect drivers include economic, demographic, governance, technological and cultural ones. Special attention is given, among indirect drivers, to the role of institutions (both formal and informal) and impacts of the patterns of production, supply and consumption on nature, nature's contributions to people and good quality of life.</p>
Durability	<p>[AMENDED]</p> <p>The ability of a product, component or material to remain functional and relevant when used as intended. Durability often applies to the physical attributes of a product (its ability to resist damage and wear), though with some products, durability can also be technological (for example, the ability of software to be upgraded many times).</p>
Eco-design	<p>[NEW]</p> <p>The integration of environmental aspects into the product development process, by balancing ecological and economic requirements. Eco-design considers environmental aspects at all stages of the product development process, striving for products which make the lowest possible environmental impact throughout the product life cycle.</p>
Ecological threshold	<p>[AMENDED]</p> <p>The point at which a relatively small change in external conditions causes a rapid change in an ecosystem. When an ecological threshold has been passed, the ecosystem may no longer be able to return to its previous equilibrium state by means of its inherent resilience.</p>
Ecosystem services	<p>The contributions of ecosystems to the benefits that are used in economic and other human activity, respectively the benefits people obtain from ecosystems. In the Millennium Ecosystem Assessment, ecosystem services can be divided into supporting, regulating, provisioning and cultural. The Common International Classification of Ecosystem Services (CICES) classifies types of ecosystems services.</p>
Ecosystem(s)	<p>A dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit. A typology of ecosystems is provided by the IUCN Global Ecosystem Typology 2.0.</p>

Defined term	Definition
Emission	The direct or indirect release of substances , vibrations, heat or noise from individual or diffuse sources into air, water or soil ⁷ .
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.
End of life (of a product)	[NEW] Point in time when a product is taken out of use and its resources are either recovered for processing or it is disposed of.
Equal opportunities	Equal and non-discriminatory access, among individuals, to opportunities for education, training, employment, career development and the exercise of power without their being disadvantaged on the basis of criteria such as gender, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation.
Equal treatment	The principle of equal treatment is a general principle of European law which presupposes that comparable situations or parties in comparable situations are treated in the same way. In the context of ESRS S1, the term ' equal treatment ' also refers to the principle of non-discrimination, according to which there shall be no direct or indirect discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.
Extent of terrestrial and marine ecosystems / Ecosystem extent	[AMENDED] The size of an ecosystem asset, whereas an ecosystem asset is the contiguous space of a specific ecosystem type characterised by a distinct set of biotic and abiotic components and their interactions.

⁷ Directive 2024/1785/EU on industrial emissions (IED 2.0).

Defined term	Definition
Family-related leave	<p>[NEW]</p> <p>Family-related leave includes maternity leave, paternity leave, parental leave, and carers' leave that is available under national law or collective agreements. For the purpose of this Standard, these concepts are defined as:</p> <ul style="list-style-type: none"> (a) maternity leave (also called pregnancy leave): employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption) (b) paternity leave: leave from work for fathers or, where and in so far as recognised by national law, for equivalent second parents, on the occasion of the birth or adoption of a child for the purposes of providing care; (c) parental leave: leave from work for parents on the grounds of the birth or adoption of a child to take care of that child, as defined by each Member State; (d) carers' leave from work: leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each Member State.'
Financial effects	Effects from risks and opportunities that affect the undertaking's financial position, financial performance and cash flows over the short, medium or long term.
Financial materiality	<p>[AMENDED]</p> <p>A sustainability topic is material from a financial perspective if it generates risks or opportunities that affect (or could reasonably be expected to affect) the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term.</p>
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. The term encompasses all situations in which persons are coerced by any means to perform work and includes both traditional 'slave-like' practices and contemporary forms of coercion where labour exploitation is involved, which may include human trafficking and modern slavery.
Fossil fuel	Non-renewable carbon-based energy sources such as solid fuels, natural gas and oil.
Free, Prior and Informed Consent (FPIC)	A manifestation of indigenous peoples right to self-determine their political, social, economic and cultural priorities. It constitutes three interrelated and cumulative rights of indigenous peoples : the right to be consulted; the right to participate; and the right to their lands, territories and resources. FPIC pertains to indigenous peoples and is recognized under international human rights law, notably the United Nations Declaration on the Rights of Indigenous peoples (UNDRIP).
Freshwater	Groundwater and surface water, with a mean annual salinity of < 0,5 ‰ (i.e., the limit mentioned in Annex II of the Water Framework Directive).
General Disclosure Requirement	<p>[AMENDED]</p> <p>A General Disclosure Requirement sets the required content of the information that the undertaking includes when it reports on policies, actions, metrics or targets, either pursuant to a Disclosure Requirement in an ESRS or on an entity-specific basis.</p>

Defined term	Definition
GHG emission reduction	Decrease in the undertaking's Scope 1, 2, 3 or total GHG emissions at the end of the reporting period, relative to emissions in the base year. Emission reductions may result from, among others, energy efficiency, electrification, suppliers' decarbonisation, electricity mix decarbonisation, sustainable products development or changes in reporting boundaries or activities (e.g., outsourcing, reduced capacities), provided they are achieved within the undertaking's own operations and upstream and downstream value chain . Removals and avoided emissions are not counted as emission reductions .
GHG removal and storage	(Anthropogenic) removals refer to the withdrawal of GHGs from the atmosphere as a result of deliberate human activities. These include enhancing biological anthropogenic sinks of CO ₂ and using chemical engineering to achieve long-term removal and storage. Carbon capture and storage (CCS) from industrial and energy-related sources, which alone does not remove CO ₂ from the atmosphere, can remove atmospheric CO ₂ if it is combined with bioenergy production (Bioenergy with Carbon Capture & Storage - BECCS). Removals can be subject to reversals, which are any movement of stored GHG out of the intended storage that re-enters the atmosphere. For example, if a forest that was grown to remove a specific amount of CO ₂ is subject to a wildfire, the emissions captured in the trees are reversed.
Global Framework Agreement (GFA)	[NEW] Global Framework Agreements (GFA) serve to establish an ongoing relationship between a multinational enterprise and a Global Union Federation to ensure that the undertaking adheres to the same standards in every country in which it operates.
Global warming potential (GWP)	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO ₂ .
Greenhouse Gases (GHG)	The gases listed in Part 2 of Annex V of Regulation (EU) 2018/1999 of the European Parliament and of the Council ⁸ . These include Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Sulphur hexafluoride (SF ₆), Nitrogen trifluoride (NF ₃), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs).

⁸ 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).

Defined term	Definition
Grievance mechanism	<p>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 <i>grievance mechanisms</i> 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 <i>grievance mechanisms</i> include those administered by the undertaking, either alone or together with stakeholders, such as operational-level <i>grievance mechanisms</i> and <i>collective bargaining</i>, including the mechanisms established by <i>collective bargaining</i>. They also include mechanisms administered by industry associations, international organisations, civil society organisations, or multi-stakeholder groups.</p> <p>Operational-level <i>grievance mechanisms</i> 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.</p> <p>According to UN Guiding Principle 31, effective <i>grievance mechanisms</i> are legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. In addition to these criteria, effective operational-level <i>grievance mechanisms</i> are also based on engagement and dialogue. It can be more difficult for the organisation to assess the effectiveness of <i>grievance mechanisms</i> that it participates in compared to those it has established itself.</p>
Groundwater	All water which is below the surface of the ground in the saturation zone and in direct contact with the ground or subsoil ⁹ .
Habitat	The place or type of site where an organism or population naturally occurs. Also used to mean the environmental attributes required by a particular species or its ecological niche.
Harassment	A situation where an unwanted conduct related to a protected ground of <i>discrimination</i> (for example, gender under Directive 2006/54/EC of the European Parliament and of the Council ¹⁰ , or religion or belief, disability, age or sexual orientation under Council Directive 2000/78/EC ¹¹) occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment.
Hazardous waste	<p>[AMENDED]</p> <p>Waste which displays one or more of the hazardous properties listed in Annex III of the Waste framework directive.</p>

⁹ Article 2(20) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

¹⁰ Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23).

¹¹ Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L 303, 2.12.2000, p. 16).

Defined term	Definition
Human rights incident	<p>[NEW]</p> <p>Incident that has been found to be substantiated in relation to non-respect of internationally recognised human rights (the International Bill of Human Rights which consists of the Universal Declaration of Human Rights and the two Covenants that implement them, and the ILO principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work).</p>
Impacts	<p>The effect the undertaking has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.</p>
Impact materiality	<p>[AMENDED]</p> <p>A sustainability topic is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term. A material sustainability topic from an impact perspective includes impacts connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships.</p>
Incident	<p>[AMENDED]</p> <p>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. These include judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts, mediation or complaints filed with the National Contact Points for OECD Multinational Enterprises).</p> <p>Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.</p>
Independent board member	<p>Board members that exercise independent judgment free from any external influence or conflicts of interest. Independence generally means the exercise of objective, unfettered judgement. When used as the measure by which to judge the appearance of independence, or to categorise a non-executive member of the administrative, management and supervisory bodies or their committees as independent, it means the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.</p>

Defined term	Definition
Indigenous peoples	There is no single definition for indigenous peoples agreed on at the international level. In practice, there is convergence among international agencies on what groups can be considered indigenous peoples and should enjoy special protection as such. An important criteria for defining indigenous people is related to their connection to a traditional area, as defined in ILO Convention No. 169, Article 1, which states that the convention applies to: ‘(a) <i>tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;</i> (b) <i>peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions</i> ’. ILO Convention 169 also states in Article 1(2) that: ‘[s]elf-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply’.
Indirect GHG emissions	GHG emissions that are a consequence of the activities of an entity but occur at sources owned or controlled by another entity. Indirect emissions are Scope 2 GHG emissions and Scope 3 GHG emissions combined.
Internal carbon price	Price used by an undertaking to assess the financial implications of changes to investment, production, and consumption patterns, and of potential technological progress and future emissions abatement costs.
Internal carbon pricing scheme	An organisational arrangement that allows an undertaking to apply carbon prices in strategic and operational decision making. There are two types of internal carbon prices commonly used by undertakings. The first type is a shadow price, which is a theoretical cost or notional amount that the undertaking does not charge but that can be used in assessing the economic implications or trade-offs for such things as risk impacts , new investments, net present value of projects, and the cost-benefit of various initiatives. The second type is an internal tax or fee, which is a carbon price charged to a business activity, product line, or other business unit based on its GHG emissions (these internal taxes or fees are similar to intracompany transfer pricing).
Invasive species / Invasive alien species	[AMENDED] Species whose introduction and/or spread by human action outside their natural distribution threatens biological diversity , food security, and human health and well-being. ‘Alien’ refers to the species’ having been introduced outside its natural distribution (‘exotic’, ‘non-native’ and ‘non-indigenous’ are synonyms for ‘alien’). ‘Invasive’ means ‘tending to expand into and modify ecosystems to which it has been introduced’. Thus, a species may be alien without being invasive, or, in the case of a species native to a region, it may increase and become invasive, without actually being an alien species.
Key Biodiversity Area (KBA)	Sites contributing significantly to the global persistence of biodiversity , in terrestrial, freshwater and marine ecosystems . Sites qualify as global KBAs if they meet one or more of 11 criteria, clustered into five categories: threatened biodiversity ; geographically restricted biodiversity ; ecological integrity ; biological processes; and, irreplaceability. The World Database of KBAs is managed by BirdLife International on behalf of the KBA Partnership.

Defined term	Definition
Key products	[NEW] Products which represent the primary goods that are central to the economic activities and value creation of the undertaking. These products are significant due to their impact on revenue, market position, strategic importance, or contribution to the company's core business operations. Key products include, but are not limited to, those that drive the majority of sales, are critical for customer satisfaction, or are essential for maintaining competitive advantage.
Key materials	[AMENDED] Materials which are essential for its manufacturing and delivery of products and services. These materials can be defined as 'key' due to their volume, cost, criticality for the operations, or strategic importance. Key materials (can be sourced 'as is' or be assembled in goods and substances purchased) may include (but are not limited to): plastic, plastic/metal composite, dyed textile, solvent, wood, fabric or fibre, glass, foam, glue, and finish.
Land degradation	The many processes that drive the decline or loss in biodiversity , ecosystem functions or their benefits to people and includes the degradation of all terrestrial ecosystems .
Landfill	A waste disposal site for the deposit of the waste onto or into land ¹² .
Land-use (change)	The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by, but not synonymous with, land cover. 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.
Legitimate representatives	Individuals recognised as legitimate under law or practice, such as elected trade union representatives in the case of workers, or other similarly freely chosen representatives of affected stakeholders .
Leverage	The ability of the undertaking to effect a change in the wrongful practices of another party that is connected with a negative sustainability-related impact.
Lobbying activities	Activities carried out with the objective of influencing the formulation or implementation of policy or legislation, or the decision-making processes of governments, governmental institutions, regulators, European Union institutions, bodies, offices and agencies or standard setters. Such activities include (non-exhaustive list): <ul style="list-style-type: none"> i. organising or participating in meetings, conferences, events; ii. contributing to/participating in public consultations, hearings or other similar initiatives; iii. organising communication campaigns, platforms, networks, grassroots initiatives; iv. preparing/commissioning policy and position papers, opinion polls, surveys, open letters, research work as per the activities covered by transparency register rules.
Locked-in GHG emissions	Estimates of future GHG emissions that are likely to be caused by an undertaking's key assets or products sold within their operating lifetime.

¹² Article 2 point (g) of Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste (OJ L 182, 16.7.1999, p. 1).

Defined term	Definition
Longevity	Designed for maintenance and durability in such a way that encourages longer use than the industry standard in practice and at scale and in such a way that does not compromise circular treatment at the end of functional life.
Location	[AMENDED] A location is a geographical area linked to a specific installation, site, network (e.g. highways) or networks elements (e.g. a set of transmission equipment).
Marine resources	Biological and non-biological resources found in the seas and oceans. Examples include but are not limited to deep sea minerals, gravels, and seafood products.
Material opportunities	Sustainability related opportunities with positive financial effects that materially affect, (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.
Material risks	Sustainability related risks with negative financial effects that materially affect (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.
Materiality	[AMENDED] A sustainability topic is material if it meets the definition of impact materiality , financial materiality , or both.
Metrics	Qualitative and quantitative indicators that the undertaking uses to measure and report on the effectiveness of the delivery of its sustainability-related policies and against its targets over time. Metrics also support the measurement of the undertaking's results in respect of affected people, the environment and the undertaking.

Defined term	Definition
Microplastics	<p>[AMENDED]</p> <p>Synthetic polymer microparticles that are solid and which fulfil both of the following conditions: (a) are contained in particles and constitute at least 1 % by weight of those particles; or build a continuous surface coating on particles; (b) at least 1 % by weight of the particles referred to in point (a) fulfil either of the following conditions: (i) all dimensions of the particles are equal to or less than 5 mm; (ii) the length of the particles is equal to or less than 15 mm and their length to diameter ratio is greater than 3. The following polymers are excluded from this designation: (a) polymers that are the result of a polymerisation process that has taken place in nature, independently of the process through which they have been extracted, which are not chemically modified substances; (b) polymers that are degradable as proved in accordance with Appendix 15 of Commission Regulation (EU) 2023/2055; (c) polymers that have a solubility greater than 2 g/L as proved in accordance with Appendix 16 of Commission Regulation (EU) 2023/2055; (d) polymers that do not contain carbon atoms in their chemical structure.¹³</p> <p>Microplastics are typically categorised into primary and secondary types. Primary microplastics are intentionally produced and added to products (e.g., microbeads, glitter or stabiliser in cosmetics), resulting in a direct release into the environment during the use phase of the product or at their end-of-life. Secondary microplastics derive from the breakdown of larger pieces of plastics (e.g., plastic waste, such as packaging or fishing nets).^{14 15}</p>
Nature-based solutions	Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater , coastal and marine ecosystems which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services , resilience and biodiversity benefits.
Non-employees	Non-employees in an undertaking's own workforce include both individual contractors supplying labour to the undertaking ('self-employed people') and people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).
Non-renewable energy	Energy which cannot be identified as being derived from renewable sources.
Operational control	Operational control (over an entity, site , operation or asset) is the situation where the undertaking has the ability to direct the operational activities and relationships of the entity, site , operation or asset.
Opportunities	Sustainability-related opportunities with positive financial effects .
Overtime	The number of hours actually worked by a worker in excess of his or her contractual hours of work.
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 N78).

¹³ Commission Regulation (EU) 2023/2055 of 25 September 2023 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards synthetic polymer microparticles.

¹⁴ [Microplastics: sources, effects and solutions, EP \(2025\)](#).

¹⁵ [Microplastics from textiles: towards a circular economy for textiles in Europe, EEA \(2023\)](#).

Defined term	Definition
Ozone-depleting substances	Substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.
Packaging	Products made of any materials of any nature to be used for the containment, protection, handling, delivery, storage, transport and presentation of goods, from raw materials to processed goods, from the producer to the user or consumer ¹⁶ .
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 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.
Persons with disabilities	Persons who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.
Physical risks	All global economic enterprise depends on the functioning of earth systems, such as a stable climate and on ecosystem services , such as the provision of biomass (raw materials). Nature-related physical risks are a direct result of an organisation's dependence on nature. Physical risks arise when natural systems are compromised, due to the impact of climatic events (e.g., extremes of weather such as a drought), geologic events (e.g., seismic events such as an earthquake) events or changes in ecosystem equilibria, such as soil quality or marine ecology, which affect the ecosystem services organisations depend on. These can be acute, chronic, or both. Nature-related physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems . Physical risks are usually location-specific. Nature-related physical risks are often associated with climate-related physical risks .
Policy	[AMENDED] 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 material sustainability topic . 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 validated and reviewed following the undertakings' applicable governance rules. A policy is implemented through actions or action plans.
Pollutant	A substance , vibration, heat, noise, light or other contaminant present in air, water or soil which may be harmful to human health and/or the environment, which may result in damage to material property, or which may impair or interfere with amenities and other legitimate uses of the environment ¹⁷ .

¹⁶ Article 3(1) of Directive 94/62/EC of the European Parliament and of the Council of 20 December 1994 on packaging and packaging waste (OJ L 365, 31.12.1994, p. 10).

¹⁷ Article 2(10) of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

Defined term	Definition
Pollution	[AMENDED] The direct or indirect introduction, as a result of human activity, of pollutants into air, water or soil which can be harmful to human health or the quality of the environment, result in damage to material property, or impair or interfere with amenities and other legitimate uses of the environment ¹⁸ .
Potential Impacts	[NEW] Potential Impacts are those that have not yet occurred but for which there is a risk that they will occur in the future.
Preparing for reuse	Checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived.
Purchased or acquired electricity, heat, steam, or cooling	When the undertaking has received its electricity, heat, steam, or cooling from a third party. The term ‘acquired’ reflects circumstances where a company may not directly purchase electricity (e.g., a tenant in a building), but where the energy is brought into the undertaking’s facility for use.
Raw material	Primary or secondary material that is used to produce a product.
Recognised quality standards for carbon credits	Quality standards for carbon credits that are verifiable by independent third parties, make requirements and project reports publicly available and at a minimum ensure additionality, permanence, avoidance of double counting and provide rules for calculation, monitoring, and verification of the project’s GHG emissions and removals.
Recordable work-related accidents	[AMENDED] Recordable work-related accidents include both work-related injury or ill health that results in any of the following: <ul style="list-style-type: none"> (i) death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or (ii) significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
Recovery	[AMENDED] The technically feasible and economically viable recovery of nutrients, compounds, materials, parts, components or even products (depending on the organization) at the same level of functional equivalence through reuse, repair, refurbishment, repurposing, remanufacturing, recycling or biodegrading. Excludes energy recovery from waste and any biological cycle waste that is not sustainably grown and replenished or regrown through natural cycles after extraction.

¹⁸ Directive 2024/1785/EU on industrial emissions (IED 2.0).

Defined term	Definition
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.
Remanufacturing	[NEW] Industrial process by which an item is returned to a like-new condition from both quality and performance perspectives. This process can apply to items that have been previously sold, leased, used, worn, or even non-functional products or parts. A like-new condition can also be described as "same-as-when-new" or "better-than-when-new".
Remedy / remediation	To counteract or make good a negative impact. Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation.
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 ¹⁹ .
Repair	[NEW] Restore a product to a condition needed for the product to function according to its intended purpose.
Reparability	[NEW] The ease with which a product can be repaired and restored to a functional state. This includes the availability of spare parts, the simplicity of disassembly, and the accessibility of repair information
Resource efficiency	[NEW] Ratio of economic output to material consumption, emphasizing the importance of reducing material use while maintaining economic growth.
Resource inflows	[AMENDED] All materials, substances, and products entering an organisation's operations or value chain for the purpose of production, consumption, maintenance, or service delivery. This includes virgin and secondary raw materials (including, energy carriers used for material purposes), semi-finished goods, and components, regardless of whether they are purchased, reused, or internally recovered. The scope of resource inflows reflects the organisation's dependency on natural resources and its potential impact on resource efficiency and circularity.

¹⁹ 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 (OJ L 328, 21.12.2018, p. 82).

Defined term	Definition
Resource outflows	[AMENDED] All materials, substances, and products that leave an organisation's operations or value chain as a result of its activities, including outputs such as products sold, by-products, waste, emissions, and materials intended for reuse, recycling, or disposal. This encompasses both intended outputs (e.g. finished goods) and unintended outputs (e.g. waste), and reflects the organisation's efficiency in resource use, waste prevention, and circularity performance.
Reuse	[AMENDED] Any operation by which products or components that are not waste are used again for the same purpose for which they were conceived. This may involve cleaning or small adjustments, so it is ready for the next use without significant definition.
Risks	<i>Sustainability-related risks</i> with negative <i>financial effects</i> arising from environmental, social or governance matters that may negatively affect the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term.
Scenario	A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g., rate of technological change, prices) and relationships. Note that <i>scenarios</i> are neither predictions nor forecasts but are used to provide a view of the implications of developments and <i>actions</i> .
Scenario analysis	A process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty.
Scope 1 GHG emissions	Direct <i>GHG emissions</i> from sources that are owned or controlled by the undertaking.
Scope 2 GHG emissions	Indirect <i>emissions</i> from the generation of <i>purchased or acquired electricity, steam, heat or cooling</i> consumed by the undertaking.
Scope 3 GHG emissions	All <i>indirect GHG emissions</i> (not included in <i>Scope 2 GHG emissions</i>) that occur in the <i>value chain</i> of the reporting undertaking, including both upstream and downstream <i>emissions</i> . <i>Scope 3GHG emissions</i> can be broken down into <i>Scope 3 categories</i> .
Scope 3 category	One of the 15 types of <i>Scope 3GHG emissions</i> identified by the <i>GHG</i> Protocol Corporate Standard and detailed by the <i>GHG</i> Protocol Corporate Value Chain (<i>Scope 3</i>) Accounting and Reporting Standard (adapted from <i>GHG</i> Protocol Corporate Value Chain (<i>Scope 3</i>) Accounting and Reporting Standard, Glossary (Version 2011)). Undertakings that choose to account for their <i>Scope 3 emissions</i> based on the <i>indirect GHG emissions</i> categories of ISO 14064-1:2018 may also refer to the category defined in clause 5.2.4 (excluding <i>indirect GHG emissions</i> from imported energy) of ISO 14064-1:2018.

Defined term	Definition
Scope of repairability	<p>[NEW]</p> <p>Extent to which a product is designed and placed on the market in a manner that enables it to be restored to proper functioning through repair activities, taking into account factors such as product design, ease of disassembly, availability of spare parts and tools, accessibility of repair and maintenance information, and the legal and practical conditions under which end-users, professional repairers, or independent operators can carry out such repairs. This concept is shaped by requirements set out in EU Ecodesign regulations, the Directive on common rules promoting the repair of goods (Right to Repair Directive), and related instruments such as the Digital Product Passport and sector-specific product sustainability rules.</p>
Secondary resources	<p>[NEW]</p> <p>Materials previously used (secondary) and that are recovered from waste streams and reintroduced into production cycles, reducing reliance on primary resources and minimizing environmental impact.</p>
Sensitive information	<p>Sensitive information as defined in Regulation (EU) 2021/697 of the European Parliament and of the Council²⁰ establishing the European Defence Fund.</p>
Site	<p>[AMENDED]</p> <p>Sites are physical locations:</p> <ul style="list-style-type: none"> i. where an undertaking or value chain actors operate and where dependencies and impacts are likely to occur. Examples include factories, farms, mines, offices or service centers, infrastructure or facilities, or value chain nodes; or ii. with a unique combination of soil, climate, topography, hydrology, and other physical and biological factors.
Social dialogue	<p>All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, their organisations and workers' representatives, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between workers' representatives and management (or trade unions and employers' organisations).</p>
Social protection	<p>The set of measures designed to reduce and prevent poverty and vulnerability across the life cycle.</p>
Soil	<p>The top layer of the Earth's crust situated between the bedrock and the surface. The soil is composed of mineral particles, organic matter, water, air and living organisms²¹.</p>

²⁰ Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149).

²¹ Article 3(21) of Directive 2010/75/EU on industrial emissions (IED).

Defined term	Definition
Soil sealing	Covering soil in a way that makes the covered area impermeable (e.g. a road). This non-permeability can create environmental impacts as described in Commission Regulation (EU) 2018/2026 ²² .
Stakeholder engagement	An ongoing process of interaction and dialogue between the undertaking and its stakeholders that enables the undertaking to hear, understand and respond to their interests and concerns.
Stakeholders	<p>Those who can affect or be affected by the undertaking. There are two main groups of stakeholders:</p> <ul style="list-style-type: none"> i. Affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the undertaking’s activities and its direct and indirect business relationships across its value chain; and ii. users of sustainability statements: primary users of general purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users, including the undertaking’s business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics. <p>Some, but not all, stakeholders may belong to the two groups.</p>
Stranded assets	<p>[NEW]</p> <p>Stranded assets are understood as the active or firmly planned key assets of the undertaking with significant locked-in GHG emissions over their operating lifetime. Firmly planned key assets are those that the undertaking will most likely deploy within the next 5 years.</p>
Strategic raw materials	<p>[NEW]</p> <p>A subset of critical raw materials that are essential for green and digital technologies, defence, and space applications. Strategic raw materials are those listed in Annex I, Section1 - Critical Raw Materials Acts (2023)</p>

²² Commission Regulation (EU) 2018/2026 of 19 December 2018 amending Annex IV to Regulation (EC) No 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) (OJ L 325, 20.12.2018, p. 18).

Defined term	Definition
Substances	<p>Any chemical element and its compounds, with the exception of the following substances:</p> <ul style="list-style-type: none"> i. substances as defined in Article 1 of Council Directive 96/29/Euratom²³ laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionising radiation; ii. genetically modified micro-organisms as defined in Article 2(b) of Directive 2009/41/EC of the European Parliament and the Council²⁴ on the contained use of genetically modified micro-organisms; iii. genetically modified organisms as defined in point 2 of Article 2 of Directive 2001/18/EC of the European Parliament and of the Council²⁵ on the deliberate release into the environment of genetically modified organisms.²⁶
Substances of concern	<p>[AMENDED]</p> <p>A substance that:</p> <ul style="list-style-type: none"> i. meets the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 and is identified in accordance with Article 59(1) of that Regulation; ii. is classified in Part 3 of Annex VI to Regulation (EC) No 1272/2008 in one of the following hazard classes or hazard categories: <ul style="list-style-type: none"> – carcinogenicity categories 1 and 2; – germ cell mutagenicity categories 1 and 2; – reproductive toxicity categories 1 and 2; – endocrine disruption for human health categories 1 and 2; – endocrine disruption for the environment categories 1 and 2; – persistent, mobile and toxic or very persistent, very mobile properties; – persistent, bioaccumulative and toxic or very persistent, very bioaccumulative properties; – respiratory sensitisation category 1; – skin sensitisation category 1; – hazard to the aquatic environment – categories chronic 1 to 4; – hazardous to the ozone layer; – specific target organ toxicity – repeated exposure categories 1 and 2; – specific target organ toxicity – single exposure categories 1 and 2.
Substances of very high concern (SVHCs)	<p>Substances that meet the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 (REACH) and were identified in accordance with Article 59(1) of that Regulation.</p>

²³ Council Directive 96/29/Euratom of 13 May 1996 laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionizing radiation (OJ L 159, 29.6.1996, p. 1).

²⁴ Directive 2009/41/EC of the European Parliament and of the Council of 6 May 2009 on the contained use of genetically modified micro-organisms (OJ L 125, 21.5.2009, p. 75).

²⁵ Directive 2001/18/EC of the European Parliament and of the Council of 12 March 2001 on the deliberate release into the environment of genetically modified organisms and repealing Council Directive 90/220/EEC (OJ L 106, 17.4.2001, p. 1).

²⁶ Directive 2010/75/EU on industrial emissions (IED).

Defined term	Definition
Supplier	Entity upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. A supplier can have a direct business relationship with the organisation (often referred to as a first-tier supplier) or an indirect business relationship.
Supply chain	The full range of activities or processes carried out by entities upstream from the undertaking, which provide products or services that are used in the development and production of the undertaking's own products or services. This includes upstream entities with which the undertaking has a direct relationship (often referred to as a first-tier supplier) and entities with which the undertaking has an indirect business relationship.
Surface water	Inland waters, except groundwater ; transitional waters and coastal waters, except in respect of chemical status for which it shall also include territorial waters ²⁷ .
Sustainability statement	[AMENDED] The dedicated section of the undertaking's management report where the information about sustainability topics prepared in compliance with Directive 2013/34/EU of the European Parliament and of the Council ²⁸ and the ESRS is presented.
Sustainability-related opportunities	[AMENDED] Uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material positive effect on the undertaking's business model , or strategy on its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationship partners with regard to sustainability topics . Like any other opportunity , sustainability-related opportunities are measured as a combination of an impact's magnitude and the probability of occurrence.
Sustainability-related risks	[AMENDED] Uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material negative effect on the undertaking's business model or strategy and on its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationships with regard to sustainability topics . Like any other risks , sustainability-related risks are the combination of an impact's magnitude and the probability of occurrence.
Sustainability-related impacts	The effect the undertaking has or could have on the environment and people, including effects on their human rights, as a result of the undertaking's activities or business relationships . The impacts can be actual or potential, negative or positive, short-term, medium or long-term, intended or unintended, and reversible or irreversible. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.

²⁷ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (Water Framework Directive).

²⁸ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

Defined term	Definition
Sustainable sourcing/Sustainable sourced	[NEW] Integration of social, ethical, and environmental performance factors into the process of selecting suppliers.
Systemic risks	Risks arising from the breakdown of the entire system, rather than the failure of individual parts. They are characterised by modest tipping points combining indirectly to produce large failures with cascading of interactions of physical and transition risks (contagion), as one loss triggers a chain of others, and with systems unable to recover equilibrium after a shock. An example is the loss of a keystone species, such as sea otters, which have a critical role in ecosystem community structure. When sea otters were hunted to near extinction in the 1900s, the coastal ecosystems flipped and biomass production was greatly reduced.
Targets	Measurable, outcome-oriented and time-bound goals that the undertaking aims to achieve in relation to material impacts, risks or opportunities . They may be set voluntarily by the undertaking or derive from legal requirements on the undertaking.
Threatened species	Endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Commission Delegated Regulation (EU) 2021/2139.
Topic	[NEW] ESRS use the term sustainability ‘topic or sub-topic’, to be understood as synonymous with sustainability matters and/or factors. Disclosures in ESRS are structured into topics. A topic is further disaggregated in sub-topics. In ESRS, the term ‘topic’ is used to indicate either a topic or a sub-topic, depending on the most appropriate level of granularity needed to meet the respective disclosure objective.
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.
Transition plan	A specific type of action plan that is adopted by the undertaking in relation to a strategic decision and that addresses: <ul style="list-style-type: none"> i. a public policy objective; and/or ii. an entity-specific action plan organised as a structured set of targets and actions, associated with a key strategic decision, a major change in business model, and/or particularly important actions and allocated resources.
Transition plan for climate change mitigation	An aspect of an undertaking’s overall strategy that lays out the undertaking’s targets, actions and resources for its transition towards a lower-carbon economy, including actions such as reducing its GHG emissions with regard to the objective of limiting global warming to 1.5°C and climate neutrality.
Transition risks	Risks that result from a misalignment between an organisation’s or investor’s strategy and management and the changing regulatory, policy or societal landscape in which it operates. Developments aimed at halting or reversing damage to the climate or to nature, such as government measures, technological breakthroughs, market changes, litigation and changing consumer preferences can all create or change transition risks .

Defined term	Definition
Users	Users of sustainability statements are primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users , including the undertaking's business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics.
Value chain	<p>The full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates.</p> <p>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:</p> <ul style="list-style-type: none"> i. those in the undertaking's own operations, such as human resources; ii. those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and iii. the financing, geographical, geopolitical and regulatory environments in which the undertaking operates. <p>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. ESRS use the term 'value chain' in the singular, although it is recognised that undertakings may have multiple value chains.</p>
Value chain worker	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 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 N78)
Wage	Gross wage , excluding variable components such as overtime and incentive pay , and excluding allowances unless they are guaranteed.
Waste	Any substance or object which the holder discards or intends or is required to discard ²⁹ .
Waste stream	A particular mass flow of waste from a process, activity, facility or industry often grouped by material (e.g., plastic, metal, organic), origin (e.g., household, industrial), or hazard (e.g., hazardous vs. non-hazardous).

²⁹ Article 3(1) of Directive 2008/98/EC on waste.

Defined term	Definition
Wastewater	Water which is of no further immediate value to the purpose for which it was used or in the pursuit of which it was produced because of its quality, quantity, or time of occurrence. Wastewater from one user can be a potential supply to a user elsewhere. Cooling water is not considered to be wastewater .
Water (recycled and reused)	Water and wastewater (treated or untreated) that has been used more than once before being discharged from the undertaking's or shared facilities' boundary, so that water demand is reduced. This may be in the same process (recycled) or in a different process within the same facility (own or shared with other undertakings) or in another of the undertaking's facilities (reused).
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 discharge	The sum of effluents and other water leaving the boundaries of the organisation and released to surface water, groundwater , or third parties over the course of the reporting period.
Water storage/stored	[NEW] Water held in water storage facilities or reservoirs.
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.
Workers' representatives	Workers' representatives means: <ul style="list-style-type: none"> i. trade union representatives, namely representatives designated or elected by trade unions or by members of such unions in accordance with national legislation and practice; ii. duly elected representatives, namely representatives who are freely elected by the workers of the organisation, not under the domination or control of the employer in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are the exclusive prerogative of trade unions in the country concerned and which existence is not used to undermine the position of the trade unions concerned or their representatives.
Work-life balance	Satisfactory state of equilibrium between an individual's work and private life. Work-life balance in a broader sense encompasses not only the balance between work and private life given family or care responsibilities, but also time allocation between time spent at work and in private life beyond family responsibilities.

Defined term	Definition
Work-related hazards	<p>Work-related hazards can be:</p> <ul style="list-style-type: none"> i. physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment); ii. ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration); iii. chemical (e.g., exposure to carcinogens, mutagens, reprotoxic substances, solvents, carbon monoxide, or pesticides); iv. biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites); v. psychosocial (e.g., verbal abuse, harassment, bullying); vi. related to work-organisation (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).
Work-related incident	<p>Occurrence arising out of or in the course of work that could or does result in injury or ill health. Incidents might be due to, for example, electrical problems, explosion, fire, overflow, overturning, leakage, flow, breakage, bursting, splitting, loss of control, slipping, stumbling and falling, body movement without stress, body movement under/with stress, shock, fright, workplace violence or harassment (e.g., sexual harassment).</p> <p>An incident that results in injury or ill health is often referred to as an ‘accident’. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a ‘close call’, ‘near-miss’, or ‘near-hit’.</p>