



LOG OF AMENDMENTS

ESRS 2

GENERAL DISCLOSURES



DECEMBER 2025



EFRAG

Log of Amendments by Standard - ESRS 2 *General Disclosures*

Annex to the Basis for Conclusions accompanying the draft amended ESRS – Illustration of the Amendments

Disclaimer: The Log of Amendments by Standard accompanies but is not part of the draft amended ESRS issued by EFRAG on 3 December 2025. It complements and should be read in conjunction with the Basis for Conclusions (BFC), where a summarised description of the main changes to the Standards can be found. 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).

Introduction

1. This document complements and should be read in conjunction with the Basis for Conclusions where a summarised description of the main changes to individual Standards can be found.
2. This document illustrates the amendments at paragraph level in draft amended ESRS 2 *General Disclosures*
3. The starting point is the text of ESRS 2 as per the Delegated Act of 2023, with each paragraph listed and numbered in Column 1.
4. A markup of amendments is provided in Column 2 including text added or removed. Text added has been underlined in Column 2. Text deleted is marked as strikethrough (~~strikethrough~~) in Column 2. Where text is unchanged this is also included (no change to text) including where there is no change to the DR.
5. The last column contains a summary of changes made to the DR using the following terminology: Amended, Unchanged, Merged, Moved, New or Deleted.
6. The last column also includes explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
<p>1. This ESRS sets out the disclosure requirements that apply to all undertakings regardless of their sector of activity (i.e., sector agnostic) and apply across sustainability topics (i.e., cross-cutting). This ESRS covers the reporting areas defined in ESRS 1 General requirements section 1.2 Reporting areas and minimum content disclosure requirements on policies, actions, targets and metrics</p>	<p>1. (1 amended) This ESRS 2 <u>General disclosures</u> sets out the <u>general</u> disclosure requirements that apply to all undertakings regardless of their sector of activity (i.e., sector agnostic) and apply across sustainability topics (i.e. cross-cutting). This ESRS <u>It</u> covers the reporting areas defined in ESRS 1 <u>General requirements</u>, <u>paragraph 5</u> <u>section 1.2 Reporting areas and minimum content disclosure requirements on policies, actions, targets and metrics</u></p>	<p>Amended Streamlined language</p>
<p>2. In the preparation of disclosures under this Standard, the undertaking shall apply the Disclosure Requirements (including their datapoints) set in topical ESRS, as listed in Appendix C of this Standard Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures. The undertaking shall apply the requirements listed in Appendix C:</p>	<p>2. In the preparation of disclosures under this Standard, the undertaking shall apply the Disclosure Requirements (including their datapoints) set in topical ESRS, as listed in Appendix C of this Standard Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures. The undertaking shall apply the requirements listed in Appendix C.</p>	<p>Deleted Reflecting the restructuring and simplification of the ESRS architecture, where requirements in appendix C have been deleted.</p>
<p>(a) in all instances for the requirements in topical standards related to Disclosure Requirement IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities; and</p>	<p>(a) in all instances for the requirements in topical standards related to Disclosure Requirement IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities; and</p>	<p>Deleted See above</p>
<p>(b) for all other requirements listed in appendix C, only if the sustainability topic is material based on the undertaking's materiality assessment (see ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures).</p>	<p>(b) for all other requirements listed in appendix C, only if the sustainability topic is material based on the undertaking's materiality assessment (see ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures).</p>	<p>Deleted See above</p>
	<p><u>2 (new). The undertaking shall apply the DRs defined in this Standard when providing information on material impacts, risks and opportunities and the topics related to them and present such information in accordance with ESRS 1 General Requirements, paragraph 55.</u></p>	<p>New Emphasis is placed on ESRS 1's approach disaggregation / disaggregation of information (ESRS 1, paragraph 55), which allows flexibility and supports more concise disclosure. Determining the appropriate level is left to the undertaking's judgement and shall be the most appropriate level reflecting the nature of IROs or how they are managed. This also promotes a reporting closer to the management view.</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement	Disclosure Requirement BP-1 – General Basis for preparation of the sustainability statement	Amended
3. The undertaking shall disclose the general basis for preparation of its sustainability statement.	3. The undertaking shall disclose the general basis for preparation of its sustainability statement.	Deleted Not needed
4. The objective of this Disclosure Requirement is to provide an understanding of how the undertaking prepares its sustainability statement, including the scope of consolidation, the upstream and downstream value chain information and, where relevant, whether the undertaking has used any of the options for omitting information referred to in points d) and e) in the following paragraph.	4. 3. (4 and 7 amended) The objective of this Disclosure Requirement DR is to provide enable an understanding of how the undertaking prepares its the basis for preparation of the sustainability statement, including the scope of consolidation, the upstream and downstream value chain information and, where relevant, whether the undertaking has used any of the options for omitting information referred to in points d) and e) in the following paragraph the disclosures required by ESRS 1 General requirements in specific circumstances.	Amended Editorial The objective is updated to reflect the new approach on BP-1 and to simplify the related requirements, for instance the consolidation scope.
5. The undertaking shall disclose the following information	5.4. The undertaking shall disclose the following information:	Amended Editorial
(a) whether the sustainability statement has been prepared on a consolidated or individual basis;	(a) whether the sustainability statement has been prepared on a consolidated or individual basis and in case the reporting boundary of the undertaking's own operations differs from the one adopted in the consolidated financial statements, a description of and the reasons for this difference; and	Amended To clarify the disclosure on the reporting boundary. The Boundary of the financial statements and of the sustainability statement shall be aligned. When for exceptional circumstances there is a deviation, transparency is required on the reasons.
(b) for consolidated sustainability statement	(b) for consolidated sustainability statement	Deleted.
i) a confirmation that the scope of consolidation is the same as for the financial statements, or, where applicable, a declaration that the reporting undertaking is not required to draw-up financial statements or that the reporting undertaking is preparing consolidated sustainability	i) a confirmation that the scope of consolidation is the same as for the financial statements, or, where applicable, a declaration that the reporting undertaking is not required to draw up financial statements or that the reporting undertaking is preparing consolidated	Deleted. Included above in par. 4(a) to also reflect the public call's feedback received asking for simplification of this provision.

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reporting pursuant to Article 48i of Directive 2013/34/EU; and	sustainability reporting pursuant to Article 48i of Directive 2013/34/EU; and	
ii) where applicable, an indication of which subsidiary undertakings included in the consolidation are exempted from annual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU;	ii) where applicable, an indication of which subsidiary undertakings included in the consolidation are exempted from annual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU;	Deleted. The exempted subsidiary shall disclose this information in its management report
(c) to what extent the sustainability statements cover the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain);	(c)(b) to what an overview of the extent to which the sustainability statement covers the undertaking's upstream and downstream value chain. (see ESRS 1 section 5.1 Reporting undertaking and value chain)	Amended Editorial
(d) whether the undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation (see [draft] ESRS 1 section 7.7 Information on intellectual property, know-how or results of innovation); and	(d) whether the undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation (see [draft] ESRS 1 section 7.7 Information on intellectual property, know-how or results of innovation); and	Moved Merged in BP-1 AR 2
(e) for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU, whether the undertaking has used that exemption.	(e) for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU, whether the undertaking has used that exemption.	Moved Merged in BP-1 AR 2
	<u>5. The undertaking shall state that its sustainability statement has been prepared in accordance with ESRS as applicable at the end of the reporting period.</u>	New New paragraph adding a statement of compliance in conjunction with fair presentation following the related amendments in ESRS 1
	<u>6. The undertaking shall disclose any relief, option or other specific provision prescribed in ESRS 1 General requirements that it applies, together with the related required information.</u>	Amended Paragraph 6 represents a major simplification of the basis for preparation, reflecting feedback received

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		<p>during outreach events and the public survey to streamline related disclosures.</p> <p>Repetitions have been deleted and replaced by a list of references to the general principles defined in ESRS 1. Please note that each of the elements in this list is not considered as a separate datapoint. Each of them is conditional to the relevant fact pattern of each item.</p>
	<u>AR 1 for para 4(a) Differences from the reporting boundary used in the consolidated financial statements may arise when a subsidiary is excluded from consolidation as financially non-material (ESRS 1 General Requirements, paragraph 62).</u>	New <p>The reporting boundary shall align with the financial statements. This paragraph specifies one case where this does not happen.</p>
	<u>AR2 for para. 6 (new) Reliefs, options or other specific provisions to be considered are the following:</u>	New <p>See comment above for paragraph 6</p>
	<u>(a) relief for acquisitions and disposals (ESRS 1 General Requirements, paragraphs 75 and 76);</u>	
	<u>(b) deviation from pre-defined time horizons (ESRS 1 General Requirements, paragraph 82);</u>	
	<u>(c) changes in preparation or presentation of sustainability information (ESRS 1 General Requirements, paragraph 85 and 86);</u>	
	<u>(d) adjustments to comparative information (ESRS 1 General Requirements, paragraph 88)</u>	
	<u>(e) application of material judgement and information subject to significant uncertainties (ESRS 1 General Requirements, paragraph 89);</u>	
	<u>(f)-omission of required information if applicable law or regulations prohibit the disclosure of such information</u>	

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	<u>or allow the omission of such disclosure (ESRS 1 General Requirements, paragraph 101);</u>	
	<u>(g) relief to exclude from the calculation of a metric activities that are not significant drivers of impacts, risks or opportunities (ESRS 1 General Requirements, paragraph 91);</u>	
	<u>(h) relief to report a partial reporting boundary for a metric due to lack of reliable data (ESRS 1 General Requirements, paragraph 92);</u>	New See comment above for paragraph 6
	<u>(i) relief to exclude joint operations from environmental metrics (ESRS 1 General Requirements, paragraphs 93);</u>	New See comment above for paragraph 6
	<u>(j) significant limitations affecting the reported information under the use of undue cost or effort provision for specific datapoints (ESRS 1 General Requirements, Chapter 7.4);</u>	New See comment above for paragraph 6
	<u>(k) update of disclosures for events after the end of the reporting period (ESRS 1 General Requirement, paragraph 97 and 98).</u>	
	<u>(l) reporting errors in prior periods (ESRS 1 General Requirements, paragraphs 98 and 99)</u>	New See comment above for paragraph 6
	<u>The undertaking may present the information required under paragraph 6 in the General Information section of its sustainability statement or alongside the relevant disclosures to which the information pertains.</u>	New See comment above for paragraph 6
AR 1. When describing to what extent the sustainability statement covers the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain), the undertaking may distinguish between:	<u>AR 1. When describing to what extent the sustainability statement covers the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain), the undertaking may distinguish between:</u>	Deleted It was duplicative as: (i) specification of where the IROs are connected with the undertaking's operations or value chain is covered in IRO 2; (ii) scope of policies, key

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		actions and targets is covered in GDR-P-A-T; (iii) the approach to value chain in metrics is covered in GDR-M.
(a) the extent to which its materiality assessment of impacts, risks and opportunities extends to its upstream and/or downstream value chain;	(a) the extent to which its materiality assessment of impacts, risks and opportunities extends to its upstream and/or downstream value chain;	Deleted See comment above
(b) the extent to which its policies, actions and targets extend to its value chain; and	(b) the extent to which its policies, actions and targets extend to its value chain; and	Deleted See comment above
(c) the extent to which it includes upstream and/or downstream value chain data when disclosing on metrics	(c) the extent to which it includes upstream and/or downstream value chain data when disclosing on metrics	Deleted See comment above
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances <u>Specific information if the undertaking uses phasing-in options</u>	Amended Title changed to reflect the amended paragraphs related to phasing-in options
6. The undertaking shall provide disclosures in relation to specific circumstances	6. The undertaking shall provide disclosures in relation to specific circumstances.	Deleted
7. The objective of this Disclosure Requirement is to provide an understanding of the effect of these specific circumstances on the preparation of the sustainability statement	7. The objective of this Disclosure Requirement is to provide an understanding of the effect of these specific circumstances on the preparation of the sustainability statement	Deleted
8. The undertaking may report this information alongside the disclosures to which they refer	8. The undertaking may report this information alongside the disclosures to which they refer	Deleted
Time horizons 9. When the undertaking has deviated from the medium- or long-term time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes, it shall describe:	Time horizons 9. When the undertaking has deviated from the medium- or long-term time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes, it shall describe:	Deleted Replaced with a general compliance statement in BP-1 AR par. 6 in line with ESRS 1 principles.
(a) its definitions of medium- or long-term time horizons; and	(a) its definitions of medium- or long-term time horizons; and	Deleted

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		Replaced by para. 6 and AR 2
(b) the reasons for applying those definitions	(b) the reasons for applying those definitions	Deleted Replaced by para. 6 and AR 2
Value chain estimation 10. When metrics include upstream and/or downstream value chain data estimated using indirect sources, such as sector-average data or other proxies, the undertaking shall:	Value chain estimation 10. When metrics include upstream and/or downstream value chain data estimated using indirect sources, such as sector-average data or other proxies, the undertaking shall:	Deleted Replaced by para. 6 and AR 2
(a) identify the metrics;	(a) identify the metrics;	Deleted Overlap with GDR-M
(b) describe the basis for preparation	(b) describe the basis for preparation	
(c) describe the resulting level of accuracy; and	(c) describe the resulting level of accuracy; and	
(d) where applicable, describe the planned actions to improve the accuracy in the future (see ESRS 1 chapter 5 Value chain)	(d) where applicable, describe the planned actions to improve the accuracy in the future (see ESRS 1 chapter 5 Value chain)	Deleted
Sources of estimation and outcome uncertainty 11. In accordance with ESRS 1 section 7.2 Sources of estimation and outcome uncertainty, the undertaking shall:	Sources of estimation and outcome uncertainty 11. In accordance with ESRS 1 section 7.2 Sources of estimation and outcome uncertainty, the undertaking shall:	Deleted Replaced by para. 6 and AR 2
(a) identify the quantitative metrics and monetary amounts it has disclosed that are subject to a high level of measurement uncertainty	(a) identify the quantitative metrics and monetary amounts it has disclosed that are subject to a high level of measurement uncertainty	
(b) in relation to each quantitative metric and monetary amount identified:	(b) in relation to each quantitative metric and monetary amount identified:	
i. disclose information about the sources of measurement uncertainty (for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's upstream and/or downstream value chain); and	i. disclose information about the sources of measurement uncertainty (for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the	

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	availability and quality of data from the entity's upstream and/or downstream value chain); and	
ii. disclose the assumptions, approximations and judgements the entity has made in measuring it.	ii. disclose the assumptions, approximations and judgements the entity has made in measuring it.	
12. When disclosing forward-looking information, the undertaking may indicate that it considers such information to be uncertain.	12. When disclosing forward looking information, the undertaking may indicate that it considers such information to be uncertain.	Deleted Following the simplification approach
Changes in preparation or presentation of sustainability information 13. When changes in the preparation and presentation of sustainability information occur compared to the previous reporting period(s), (see ESRS 1 section 7.4 Changes in preparation or presentation in sustainability information), the undertaking shall:	Changes in preparation or presentation of sustainability information 13. When changes in the preparation and presentation of sustainability information occur compared to the previous reporting period(s), (see ESRS 1 section 7.4 Changes in preparation or presentation in sustainability information), the undertaking shall:	Deleted Replaced by para. 6 and AR 2
(a) explain the changes and the reasons for them, including why the replaced metric provides more useful information;	(a) explain the changes and the reasons for them, including why the replaced metric provides more useful information;	Deleted Following the simplification approach
(b) disclose revised comparative unless it is impracticable to do so. When it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose that fact; and	(b) disclose revised comparative unless it is impracticable to do so. When it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose that fact; and	Deleted Replaced by para. 6 and AR 2
(c) disclose the difference between the figure disclosed in the preceding period and the revised comparative figure.	(c) disclose the difference between the figure disclosed in the preceding period and the revised comparative figure.	
Reporting errors in prior periods 14. When the undertaking identifies material prior period errors (see ESRS 1 section 7.5 Reporting errors in prior periods), it shall disclose:	Reporting errors in prior periods 14. When the undertaking identifies material prior period errors (see ESRS 1 section 7.5 Reporting errors in prior periods), it shall disclose:	Deleted Replaced by para. 6 and AR 2
(a) the nature of the prior period material error;	(a) the nature of the prior period material error;	

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<p>(b) to the extent practicable, the correction for each prior period included in the sustainability statement; and</p> <p>(c) if correction of the error is not practicable, the circumstances that led to the existence of that condition.</p>	<p>(b) to the extent practicable, the correction for each prior period included in the sustainability statement; and</p> <p>(c) if correction of the error is not practicable, the circumstances that led to the existence of that condition.</p>	
<p>Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements</p> <p>15. When the undertaking includes in its sustainability statement information stemming from other legislation which requires the undertaking to disclose sustainability information or from generally accepted sustainability reporting standards and frameworks (see ESRS 1 section 8.2 Content and structure of the sustainability statement), in addition to the information prescribed by ESRS, it shall disclose this fact. In case of partial application of other reporting standards or frameworks, the undertaking shall provide a precise reference to the paragraphs of the standard or framework applied.</p>	<p>Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements</p> <p>15. When the undertaking includes in its sustainability statement information stemming from other legislation which requires the undertaking to disclose sustainability information or from generally accepted sustainability reporting standards and frameworks (see ESRS 1 section 8.2 Content and structure of the sustainability statement), in addition to the information prescribed by ESRS, it shall disclose this fact. In case of partial application of other reporting standards or frameworks, the undertaking shall provide a precise reference to the paragraphs of the standard or framework applied.</p>	<p>Moved Streamlined and simplified in IRO-2 para. 37(e)</p>
<p>Incorporation by reference</p> <p>16. When the undertaking incorporates information by reference (see ESRS 1 section 9.1 Incorporation by reference), it shall disclose a list of the disclosure requirements of ESRS, or the specific datapoints mandated by a Disclosure Requirement, that have been incorporated by reference.</p>	<p>Incorporation by reference</p> <p>16. When the undertaking incorporates information by reference (see ESRS 1 section 9.1 Incorporation by reference), it shall disclose a list of the disclosure requirements of ESRS, or the specific datapoints mandated by a Disclosure Requirement, that have been incorporated by reference.</p>	<p>Moved Streamlined and simplified in IRO-2 para. 37(d)</p>
	<p><u>7. The objective of this DR is to enable an understanding of the phasing-in provisions that the undertaking has used.</u></p>	<p>Amended To clarify better what is the objective of this DR</p>
<p>Use of phase-In provisions in accordance with Appendix C of ESRS 1</p> <p>17. If an undertaking or group not exceeding on its balance sheet date the average number of 750 employees during</p>	<p>Use of phase-In provisions in accordance with Appendix C of ESRS 1</p> <p>17. 8. If an undertaking or group not exceeding on its balance sheet date the average number of 750</p>	<p>Amended Updated based on ESRS 1 and “quick fix”</p>

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<p>the financial year decides to omit the information required by ESRS E4, ESRS S1, ESRS S2, ESRS S3 or ESRS S4 in accordance with Appendix C of ESRS 1, it shall nevertheless disclose whether the sustainability topics covered respectively by ESRS E4, ESRS S1, ESRS S2, ESRS S3 and ESRS S4 have been assessed to be material as a result of the undertaking's materiality assessment. In addition, if one or more of these topics has been assessed to be material, the undertaking shall, for each material topic:</p>	<p>employees during the financial year decides to, by applying the phase-in provisions provided by ESRS 1 General Requirements paragraph 125 (a), the undertaking omits the information required by ESRS E4, ESRS S1, ESRS S2, ESRS S3 or ESRS S4 in accordance with Appendix C of ESRS 1 the standards listed in this paragraph, it shall nevertheless disclose whether the sustainability topics covered respectively by ESRS E4, ESRS S1, ESRS S2, ESRS S3 and ESRS S4 the impacts, risks and opportunities organised under the related topics covered in those standards have been assessed to be material as a result of the undertaking's materiality assessment. In addition, if one or more of these topics has been assessed to be material, the undertaking shall, for each material topic:</p>	
	<p>9. In addition to paragraph 8, if one or more of these topics have been assessed to be material, the undertaking shall:</p>	<p>Amended Editorial</p>
<p>(a) disclose the list of matters (i.e. topic, sub-topic or sub-sub-topic) in AR 16 ESRS 1 Appendix A that are assessed to be material and briefly describe how the undertaking's business model and strategy take account of the impacts of the undertaking related to those matters. The undertaking may identify the matter at the level of topic, sub-topic or sub-sub-topic;</p>	<p>(a) disclose the list of matters (i.e. topic, or sub-topic(s) or sub-sub-topic) in AR 16 ESRS 1 Appendix A that are assessed to be material, and briefly describe how the undertaking's business model and strategy take account of the its impacts of the undertaking related to those matters topics. The undertaking may identify disclose at the matter at the level of topic, or sub-topic or sub-sub-topic;</p>	<p>Amended Editorial</p>
<p>(b) briefly describe any time-bound targets it has set related to the matters in question, the progress it has made towards achieving those targets, and whether its targets related to biodiversity and ecosystems are based on conclusive scientific evidence;</p>	<p>(b) briefly describe any time-bound targets it has set related to the matters topics in question, the progress it has made towards achieving those targets, and whether its targets related to biodiversity and ecosystems are based on conclusive scientific evidence;</p>	<p>Amended Editorial</p>
<p>(c) briefly describe its policies in relation to the matters in question;</p>	<p>(c) briefly describe its policies in relation to the matters topics in question;</p>	<p>Amended</p>

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(d) briefly describe actions it has taken to identify, monitor, prevent, mitigate, remediate or bring an end to actual or potential adverse impacts related to the matters in question, and the result of such actions; and	(d) briefly describe actions it has taken to identify, monitor, prevent, mitigate, remediate or bring an end to actual or potential <u>adverse negative</u> impacts related to the <u>matters topic</u> in question, and the result of such actions; and	Amended Editorial
(e) disclose metrics relevant to the matters in question.	(e) disclose metrics relevant to the <u>matters topic</u> in question.	Amended Editorial
	<u>10. (17amended) If, by applying the other phase-in provisions provided by ESRS 1 General Requirements in paragraphs 125(b)-(e), the undertaking omits the information required by other DRs listed in those paragraphs, it shall disclose this fact.</u>	Amended To enhance transparency for the use of phase-in provisions of ESRS 1
AR 2. The undertaking may disclose whether it relies on any European standards approved by the European Standardisation System (ISO/IEC or CEN/CENELEC standards), as well as the extent to which data and processes that are used for sustainability reporting purposes have been verified by an external assurance provider and found to conform to the corresponding ISO/IEC or CEN/CENELEC standard.	<u>AR 2. The undertaking may disclose whether it relies on any European standards approved by the European Standardisation System (ISO/IEC or CEN/CENELEC standards), as well as the extent to which data and processes that are used for sustainability reporting purposes have been verified by an external assurance provider and found to conform to the corresponding ISO/IEC or CEN/CENELEC standard.</u>	Deleted Elimination of voluntary datapoints.
	<u>AR 3 for para.9 (new) The undertaking may present the information required in paragraph 9 either in the general part of its sustainability statement or alongside the relevant topical disclosures.</u>	New Flexibility of presentation specified in this new AR
	<u>AR 4 for para. 10 new) The undertaking may present the information required in paragraph 10 either in the general part of its sustainability statement or within the content index, if it opts for this as defined in ESRS 2 General Disclosures IRO-2, AR 30.</u>	New Flexibility of presentation specified in this new AR

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2. GOVERNANCE 18. The objective of this chapter is to set disclosure requirements that enable an understanding of the governance processes, controls and procedures put in place to monitor, manage and oversee sustainability matters.	2. GOVERNANCE 18. The objective of this chapter is to set disclosure requirements that enable an understanding of the governance processes, controls and procedures put in place to monitor, manage and oversee sustainability matters.	Deleted Simplified and consolidated with new para.11
GOV-1 – The role of the administrative, management and supervisory bodies	<u>Disclosure Requirement GOV-1 The role the administrative, management and supervisory bodies in relation to sustainability</u>	Amended Clarification in alignment with CSRD Art. 29(c)(i)
19. The undertaking shall disclose the composition of the administrative, management and supervisory bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters.	19. The undertaking shall disclose the composition of the administrative, management and supervisory bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters.	Deleted Deleted to avoid repetition
20. The objective of this Disclosure Requirement is to provide an understanding of:	20.11. The objective of this disclosure requirement DR is to provide enable an understanding of the roles and responsibilities of the administrative, management and supervisory bodies, as well as the associated processes, controls and procedures to in monitoring, managing and overseeing material impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics).	Amended Reformulation of objective to align with IFRS, streamline, and improve consistency with other disclosure requirements.
(a) the composition and diversity of the administrative, management and supervisory bodies	(a) the composition and diversity of the administrative, management and supervisory bodies	Deleted For simplification purposes. Consolidated into new para. 11
(b) the roles and responsibilities of the administrative, management and supervisory bodies in exercising oversight of the process to manage material impacts, risks and opportunities, including management's role in these processes; and	(b) the roles and responsibilities of the administrative, management and supervisory bodies in exercising oversight of the process to manage material impacts, risks and opportunities, including management's role in these processes; and	Deleted For simplification purposes. Consolidated into new para. 11

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(c) the expertise and skills of its administrative, management and supervisory bodies on sustainability matters or access to such expertise and skills.	(c) the expertise and skills of its administrative, management and supervisory bodies on sustainability matters or access to such expertise and skills.	Deleted For simplification purposes. Consolidated into new para. 11
21. The undertaking shall disclose the following information about the composition and diversity of the members of the undertaking's administrative, management and supervisory bodies:	21-12. The undertaking shall disclose the following information about the composition and diversity of the members of the undertaking's administrative, management and supervisory bodies:	Deleted For simplification purposes.
(a) the number of executive and non-executive members;	(a) the number of executive and non-executive members.	Deleted For simplification purposes.
(b) representation of employees and other workers;	(b) (a) (21(d), (e) and (b)) with respect to specific aspects of the composition of its administrative, management and supervisory bodies, the percentage of independent board members, where it exists, the representation of employees and other workers; if present, and the percentage by gender and by other aspects of diversity that the undertaking takes into account;	Amended [AR 5 contains related guidance for para. 12(a)] Incorporation of former paras. 21(d),(e) and (b)
(c) experience relevant to the sectors, products and geographic locations of the undertaking;	(c) experience relevant to the sectors, products and geographic locations of the undertaking;	Deleted For simplification purposes.
(d) percentage by gender and other aspects of diversity that the undertaking considers. The board's gender diversity shall be calculated as an average ratio of female to male board members; and	(d) AR 5 for para.12(a) percentage by gender and other aspects of diversity that the undertaking considers. The board's gender diversity shall be calculated as an average ratio of female to male board members; and	Moved Incorporated into the new para. 12(a) and moved to mandatory guidance (AR 5 for para. 12(a)) This is an SFDR indicator.
(e) the percentage of independent board members. For undertakings with a unitary board, this corresponds to the percentage of independent non-executive board members. For undertakings with a dual board, it corresponds to the percentage of independent members of the supervisory body.	For undertakings with a unitary board, this corresponds to the percentage of independent non-executive board members. For undertakings with a dual board, it corresponds to the percentage of independent members of the supervisory body.	Moved (partially) Incorporated into the new para. 12(a) Deleted (partially) For simplification purposes.

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<p>AR 5. The description of the level of expertise or access to expertise of the administrative, management and supervisory bodies may be substantiated by illustrating the composition of the bodies, including members on whom these bodies rely for expertise to oversee sustainability matters, and how they leverage that expertise as a body. In the description, the undertaking shall consider how the expertise and skills are relevant to the undertaking's material impacts, risks and opportunities and whether the bodies and/or its members have access to other sources of expertise, such as specific experts and training and other educational initiatives to update and develop sustainability-related expertise within these bodies.</p>	<p>AR 5. The description of the level of expertise or access to expertise of the administrative, management and supervisory bodies may be substantiated by illustrating the composition of the bodies, including members on whom these bodies rely for expertise to oversee sustainability matters, and how they leverage that expertise as a body. In the description, the undertaking shall consider how the expertise and skills are relevant to the undertaking's material impacts, risks and opportunities and whether the bodies and/or its members have access to other sources of expertise, such as specific experts and training and other educational initiatives to update and develop sustainability-related expertise within these bodies.</p>	<p>Deleted For simplification purposes</p>
<p>22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:</p>	<p>22 The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:</p>	<p>Deleted For simplification purposes</p>
<p>(a) the identity of the administrative, management and supervisory bodies (such as a board committee or similar) or individual(s) within a body responsible for oversight of impacts, risks and opportunities;</p>	<p>(a) (c) (22 (22(a)(b), 26(6) the identity and responsibilities of the individuals, of the administrative, management and supervisory bodies (such as a board committee or similar body) or individual(s) within a body the administrative, management and supervisory bodies which are responsible for the management or oversight of material impacts, risks and opportunities (or groups of them/related topics), with an indication, of those impacts, risks and opportunities that are directly addressed by the administrative, management and supervisory bodies without delegating key decision to other bodies or to management if any;</p>	<p>Amended [AR 7 contains related guidance for para. 12(c)]</p>
<p>(b) how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in the undertaking's terms of reference, board mandates and other related policies;</p>	<p>AR 7 for para. 12(c). The description of the responsibilities shall consist of an overview of how the responsibilities of each body's or individual's responsibilities for material impacts, risks and opportunities and related topics are reflected in the</p>	<p>Moved Moved to mandatory guidance (new AR 7) See below – IFRS alignment</p>

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	undertaking's terms of reference, board mandates and other related policies.	
(c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including:	(c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including:	Deleted Simplification by reducing granularity
(i) whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee;	(i) whether that role is delegated to a specific management level position or committee and how oversight is exercised over that position or committee;	Deleted Simplification by reducing granularity
(ii) information about the reporting lines to the administrative, management and supervisory bodies;	(ii) information about the reporting lines to the administrative, management and supervisory bodies;	Deleted Simplification by reducing granularity
(iii) whether dedicated controls and procedures are applied to the management of impacts, risks and opportunities and, if so, how they are integrated with other internal functions; and	(iii) whether dedicated controls and procedures are applied to the management of impacts, risks and opportunities and, if so, how they are integrated with other internal functions; and	Deleted Simplification by reducing granularity
(d) how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, and how they monitor progress towards them	(d) (22(d)) how the administrative, management and supervisory bodies and senior executive management manage or oversee the setting of targets related to material impacts, risks and opportunities (or groups of them/related topics), and how they monitor progress towards them; and	Amended Editorial amendment See below – IFRS alignment
23. The disclosure shall include a description of how the administrative, management and supervisory bodies ensure the availability of the appropriate skills and expertise to oversee sustainability matters, including	23. (b) The disclosure shall include a description of how the administrative, management and supervisory bodies determine whether ensure the availability of the appropriate skills and expertise are available or will be developed to manage or oversee sustainability matters, including strategies and other measures designed to respond to material impacts, risks and opportunities (or groups of them/related topics);	Moved [AR 6 contains related guidance for para. 12(b)] Amended and moved to new para. 12

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(a) the sustainability-related expertise that the bodies, as a whole, either directly possess or can leverage, for example through access to experts or training; and	(a) AR 6. for para. 12 (b) the Sustainability-related expertise refers to expertise that the bodies, as a whole, either directly possess, or can leverage, (for example through have access to experts or training;	Moved Amended and moved to mandatory guidance (AR 6)
(b) how those skills and expertise relate to the undertaking's material impacts, risks and opportunities.	(b) how those skills and expertise relate to the undertaking's material impacts, risks and opportunities.	Deleted For simplification purposes
AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify:	AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify:	Deleted For simplification purposes
(a) the aspects of sustainability over which oversight is exercised with regard to the environmental, social and governance matters the undertaking may be facing, including:	(a) the aspects of sustainability over which oversight is exercised with regard to the environmental, social and governance matters the undertaking may be facing, including:	Deleted For simplification purposes
i. any assessment of and changes to sustainability-related aspects of the undertaking's strategy and business model;	i. any assessment of and changes to sustainability-related aspects of the undertaking's strategy and business model;	Deleted For simplification purposes
ii. the identification and assessment of material risks, opportunities and impacts;	ii. the identification and assessment of material risks, opportunities and impacts;	Deleted For simplification purposes
iii. related policies and targets, action plans and dedicated resources; and	iii. related policies and targets, action plans and dedicated resources; and	Deleted For simplification purposes
iv. sustainability reporting;	iv. sustainability reporting;	Deleted For simplification purposes
AR 4. In describing the undertaking's organisation of governance regarding sustainability matters, a description	AR 4. In describing the undertaking's organisation of governance regarding sustainability matters, a description of complex governance structure may be	Deleted For simplification purposes

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of complex governance structure may be complemented by their presentation in the form of a diagram.	complemented by their presentation in the form of a diagram.	
	(b) (e) (26(b)) how the administrative, management and supervisory bodies consider take into account material impacts, risks and opportunities when managing or overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process and related policies, including whether they the body(ies) or individual(s) have considered trade-offs associated with those impacts, risks and opportunities.	Moved Amended and moved from former para. 26 to new para. 12 (e). Additional guidance in AR 8 See above – IFRS alignment
	AR 8 for para 12 (e) : For the purpose of this disclosure, the management of material impacts, risks and opportunities includes the due diligence process put in place.	NEW Additional guidance to para 12 (e)
GOV-2 Information provided to and sustainability addressed by the undertaking's administrative, management and supervisory body	GOV-2 Information provided to and sustainability addressed by the undertaking's administrative, management and supervisory body	Deleted GOV 2 is integrated into GOV-1
24. The undertaking shall disclose how the administrative, management and supervisory bodies are informed about sustainability matters and how these matters were addressed during the reporting period	24. The undertaking shall disclose how the administrative, management and supervisory bodies are informed about sustainability matters and how these matters were addressed during the reporting period	Deleted Simplification by reducing granularity
25. The objective of this Disclosure Requirement is to provide an understanding of how administrative, management and supervisory bodies are informed about sustainability matters, as well as what information and matters they addressed during the reporting period. This in turn allows an understanding of whether the members of these bodies were adequately informed and whether they were able to fulfil their roles.	25. The objective of this Disclosure Requirement is to provide an understanding of how administrative, management and supervisory bodies are informed about sustainability matters, as well as what information and matters they addressed during the reporting period. This in turn allows an understanding of whether the members of these bodies were adequately informed and whether they were able to fulfil their roles.	Deleted For simplification purposes

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26. The undertaking shall disclose the following information:	26. The undertaking shall disclose the following information:	<p>Deleted For simplification purposes</p>
(a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;	(a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;	<p>Deleted Simplification by reducing granularity</p>
(b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities; and	(b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities; and	<p>Moved Amended and moved up to new para. 12 (e). See above – IFRS alignment</p>
(c) a list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period.	(c) a list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period.	<p>Deleted Covered by SBM and para 12 (c)</p>
AR 6. Depending on the undertaking's structure, the administrative, management and supervisory bodies may focus on overarching targets, while management focuses on the more detailed targets. In this case, the undertaking may disclose how the governance bodies ensure that an appropriate mechanism for performance monitoring is in place.	AR 6. Depending on the undertaking's structure, the administrative, management and supervisory bodies may focus on overarching targets, while management focuses on the more detailed targets. In this case, the undertaking may disclose how the governance bodies ensure that an appropriate mechanism for performance monitoring is in place.	<p>Deleted For simplification purposes</p>

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GOV-3 – Integration of sustainability-related performance in incentive schemes	GOV-3 Disclosure Requirement GOV-2 – Integration of sustainability-related performance in incentive schemes	Unchanged
27. The undertaking shall disclose information about the integration of its sustainability-related performance in incentive schemes.	27. The undertaking shall disclose information about the integration of its sustainability related performance in incentive schemes.	Deleted Deleted to avoid repetition
28. The objective of this Disclosure Requirement is to provide an understanding of whether incentive schemes are offered to members of the administrative, management and supervisory bodies that are linked to sustainability matters .	28. 13. The objective of this Disclosure Requirement DR is to provide enable an understanding of the key features of any whether incentive schemes that are linked to sustainability topics that are in place are offered to for members of the administrative, management and supervisory bodies. that are linked to sustainability matters	Amended Editorial amendment
29. The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies , where they exist:	29. 14. If the undertaking shall disclose the following information about the has incentive schemes and remuneration policies linked to sustainability matters topics for members of the undertaking's administrative, management and supervisory bodies , where they exist that are linked to sustainability topics, it shall disclose how members' remuneration is linked to sustainability topics, including:	Amended Editorial amendment
(a) a description of the key characteristics of the incentive schemes	(a) a description of the key characteristics of the incentive schemes;	Unchanged
(b) whether performance is being assessed against specific sustainability-related targets and/or impacts, and if so, which ones;	(b) (29 (b)) targets or metrics used if the whether performance is being assessed against specific sustainability-related targets or metrics; and/or impacts, and if so, which ones	Amended Incorporation of former para. 29 (c)

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(c) whether, and how and sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies;	(c) whether, and how and sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies;	Moved Partially incorporated in new para. 11 (b) IFRS alignment (partially)
(d) the proportion of variable remuneration dependent on sustainability-related targets and/or impacts; and	(c) (29 (d)) the proportion of variable remuneration dependent on sustainability-related targets and/or metrics /or impacts impacts' performance. ; and	Amended Editorial amendments
(e) the level in the undertaking at which the terms of incentive schemes are approved and updated.	(e) the level in the undertaking at which the terms of incentive schemes are approved and updated.	Deleted For simplification purposes
AR 7. For listed undertakings, this Disclosure Requirement should be consistent with the remuneration report prescribed in articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies. Subject to the provisions of ESRS 1, paragraphs 119, 120 and 122, a listed undertaking may make a reference to its remuneration report.	AR 7. For listed undertakings, this Disclosure Requirement should be consistent with the remuneration report prescribed in articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies. Subject to the provisions of ESRS 1, paragraphs 119, 120 and 122, a listed undertaking may make a reference to its remuneration report.	Deleted Covered by ESRS 1 – incorporation by reference
GOV-4 : statement on due diligence	<u>GOV-4 Disclosure Requirement GOV-3 Statement on due diligence</u>	Unchanged
30. The undertaking shall disclose a mapping of the information provided in its sustainability statement about the due diligence process.	30. The undertaking shall disclose a mapping of the information provided in its sustainability statement about the due diligence process.	Delete Deleted to avoid repetition
31. The objective of this Disclosure Requirement is to facilitate an understanding of the undertaking's due diligence process with regard to sustainability matters .	31-15. The objective of this Disclosure Requirement DR is to enable facilitate an understanding of where, within the sustainability statement, the undertaking's main steps of the due diligence process (see ESRS1 General Requirements, Chapter 4) applied with regard to sustainability matters topics are disclosed.	Amended Clarification

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32. The main aspects and steps of due diligence referred to under ESRS 1 chapter 4 Due diligence are related to a number of cross-cutting and topical Disclosure Requirements under the ESRS. The undertaking shall provide a mapping that explains how and where its application of the main aspects and steps of the due diligence process are reflected in its sustainability statement, to allow a depiction of the actual practices of the undertaking with regard to due diligence (15).	32. 16. The main aspects and steps of due diligence referred to under ESRS 1 chapter 4 Due diligence are related to a number of cross-cutting and topical Disclosure Requirements under the ESRS. The undertaking shall provide a mapping that explains how and explain where its application of the main aspects and steps of the due diligence process, outlined in ESRS 1 General Requirements, AR 33, are reflected in its sustainability statement, to allow a depiction of the actual practices of the undertaking with regard to due diligence (15).	Amended [AR 9 contains related guidance for para. 16] For simplification purposes
33. This disclosure requirement does not mandate any specific behavioural requirements with regard to due diligence actions and does not extend or modify the role of administrative, management and supervisory bodies as mandated by other legislation or regulation.	33. This disclosure requirement does not mandate any specific behavioural requirements with regard to due diligence actions and does not extend or modify the role of administrative, management and supervisory bodies as mandated by other legislation or regulation.	Deleted Covered in ESRS 1
AR 8. The mapping required by paragraph 30 may be presented in the form of a table, crossreferencing the core elements of due diligence, for impacts on people and the environment, to the relevant disclosures in the undertaking's sustainability statement , as set out below.	AR 8 9 for para. 16 The mapping required by paragraph 30. The undertaking may be presented present the information required in paragraph 16 in the form of a table, cross-referencing the main steps core elements of its due diligence process for impacts on people and the environment to the relevant disclosures in the undertaking's its sustainability statement. , as set out below.	Amended For simplification purposes
AR 9. The undertaking may include additional columns to the table below to clearly identify those disclosures that relate to impacts on people and/or the environment given that, in some cases, more than one disclosure may provide information about the same due diligence step.	AR 9. The undertaking may include additional columns to the table below (xxx to insertxx) to clearly identify those disclosures that relate to impacts on people and/or the environment given that, in some cases, more than one disclosure may provide information about the same due diligence step.	Deleted For simplification purposes
AR 10. The main references in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to	AR 10. The main references in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational	Deleted For simplification purposes

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the core elements of the due diligence process are listed in ESRS 1 chapter 4.	Enterprises to the core elements of the due diligence process are listed in ESRS 1 chapter 4.	
GOV-5: Risk management and internal controls over sustainability reporting	<u>GOV-5 Disclosure Requirement GOV-4: Risk management and internal controls over sustainability reporting</u>	Unchanged
34. The undertaking shall disclose the main features of its risk management and internal control system in relation to the sustainability reporting process.	34. The undertaking shall disclose the main features of its risk management and internal control system in relation to the sustainability reporting process	Deleted Deleted to avoid repetition
35. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's risk management and internal control processes in relation to sustainability reporting.	35. 17. The objective of this Disclosure Requirement DR is to provide enable an understanding of the undertaking's risk management and internal control processes and systems in relation to sustainability reporting.	Amended Editorial amendment
36. The undertaking shall disclose the following information:	36. The undertaking shall disclose the following information:	Deleted For simplification purposes
(a) the scope, main features and components of the risk management and internal control processes and systems in relation to sustainability reporting;	(a) 18. The undertaking shall disclose the scope, main features and components of its risk management and internal control processes and systems in relation to sustainability reporting.	Amended [AR 18 contains related guidance for para. 18] Editorial amendment
(b) the risk assessment approach followed, including the risk prioritisation methodology;	(b) the risk assessment approach followed, including the risk prioritisation methodology;	Deleted Covered by ESRS 2 IRO-1 para 35 (a)
(c) the main risks identified and their mitigation strategies including related controls;	(c) the main risks identified and their mitigation strategies including related controls;	Deleted Covered by ESRS 2 SBM 3

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(d) a description of how the undertaking integrates the findings of its risk assessment and internal controls as regards the sustainability reporting process into relevant internal functions and processes; and	(d) a description of how the undertaking integrates the findings of its risk assessment and internal controls as regards the sustainability reporting process into relevant internal functions and processes; and	Deleted Covered by ESRS 2 IRO-1 para 35 (a)
(e) a description of the periodic reporting of the findings referred to in point (d) to the administrative, management and supervisory bodies .	(e) a description of the periodic reporting of the findings referred to in point (d) to the administrative, management and supervisory bodies .	Deleted Covered by ESRS 2 IRO-1 para 35 (a)
AR 11. This Disclosure Requirement focuses solely on the internal control processes over the sustainability reporting process. The undertaking may consider risks such as the completeness and integrity of the data, the accuracy of estimation results, the availability of upstream and/or downstream value chain data, and the timing of the availability of the information.	AR 11. <u>AR 10 for para. 18 . This Disclosure Requirement focuses solely on the internal control processes over the sustainability reporting process. The undertaking may consider risks such as the completeness and integrity of the data and the accuracy of estimation results, the availability of upstream and/or downstream value chain data, and the timing of the availability of the information as aspects that are relevant in the context of the risk management associated with the reporting process.</u>	Amended For simplification purposes
Disclosure Requirement SBM-1 – Strategy, business model and value chain	Disclosure Requirement SBM-1 Strategy, business model and value chain	Unchanged
38. The undertaking shall disclose the elements of its strategy that relate to or impact sustainability matters, its business model and its value chain.	38. The undertaking shall disclose the elements of its strategy that relate to or impact sustainability matters, its business model and its value chain.	Deleted Deleted this para. to avoid repetitions
39. The objective of this Disclosure Requirement is to describe the key elements of the undertaking's general strategy that relate to or affect sustainability matters, and the key elements of the undertaking's business model and value chain, in order to provide an understanding of its exposure to impacts, risks and opportunities and where they originate.	39. <u>19. The objective of this disclosure requirement DR is to describe enable an understanding of the key elements of the undertaking's general strategy, business model and upstream and downstream value chain that relate to or affect sustainability matters material impacts, risks and opportunities and the key elements of the undertaking's business model and value chain, in order to provide enable an understanding of its exposure</u>	Amended Added reference to business model and value chain to better reflect what is required by this DR.

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	to <u>such material</u> impacts, risks and opportunities and where they originate.	
40. The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters:	40-20. (40). The undertaking shall disclose the following information about the key elements of its general strategy <u>and business model</u> that relate to, or affect, <u>sustainability matters</u> <u>the topics associated with its material impacts, risks and opportunities:</u>	Amended Editorial.
	(a) <u>a description of its business model, its upstream and downstream value chain and its position in that value chain:</u>	Amended Moved from para. 42 of the Delegated Act and simplified, only asking for the description and the position of the undertaking in the described value chain
(a) a description of:	(a) (b) a description of:	Unchanged
i. significant groups of products and/or services offered, including changes in the reporting period (new/removed products, and/or services);	i. <u>the significant groups of products and/or services offered, significant markets or customer groups served, and their relevance in contributing to the undertaking's sustainability-related overall objectives, including significant changes in the reporting period (e.g. new/removed products, services, markets or customer groups);</u>	Amended Merged with point ii. as both datapoints pertain to description of the undertaking's business profile, including also the sustainability goals, which are now referred to as 'objectives'. The reference to significant changes relates to the information of groups of products and/or services offered and of significant markets and/or customer groups served.
ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups);	ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups);	Moved Simplified and MERGED with point (i). above
iii. headcount of employees by geographical areas; and	iii. headcount of employees by geographical areas; and	Deleted Deleted as this DP overlaps with information already required in ESRS S1 and also considering that in practice this information has been often incorporated by reference

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iv. where applicable and material, products and services that are banned in certain markets;	ii. where applicable <u>and significant and material</u> , products and services that are banned in certain markets;	Amended Editorial
(b) a breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. When the undertaking provides segment reporting as required by IFRS 8 Operating segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information;	<u>(c) the significant sectors, including activities that are internal to the group if those activities are significant or are connected or may be connected to material impacts, risks and opportunities;</u> <u>(b) a breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. When the undertaking provides segment reporting as required by IFRS 8 Operating segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information;</u>	Amended The information about the significant sectors has been maintained as it is essential for users to understand the IROs of the undertaking. The disclosure relates to significant sectors and those internal activities that are or may be connected with material IROs. AR 11 - 13 also contain guidance on what is considered significant and the relevance of this information for users. The reference to IFRS 8 was also moved to AR 13. Deleted reference to revenues, as similar information is already disclosed in the financial statements. Connectivity is anyway covered by applying general requirements in ESRS 1. Delete reference to mandatory use of ESRS classification system, as sector standards will not exist anymore. Allow use of multiple possible classification systems. Information about the significant sectors will help to contextualise the entity-specific sector information.
(c) a list of the additional significant ESRS sectors beyond the ones reflected under paragraph 40(b), such as activities that give rise to intercompany revenues, in which the undertaking develops significant activities, or in which it is or may be connected to material impacts. The identification of these additional ESRS sectors shall be consistent with the way they have been considered by the undertaking when performing its materiality assessment and with the way it discloses material sector-specific information.	<u>(c) a list of the additional significant ESRS sectors beyond the ones reflected under paragraph 40(b), such as activities that give rise to intercompany revenues, in which the undertaking develops significant activities, or in which it is or may be connected to material impacts.</u> <u>The identification of these additional ESRS sectors shall be consistent with the way they have been considered by the undertaking when performing its materiality assessment and with the way it discloses material sector-specific information.</u>	Deleted Reference to sector ESRS not applicable. Replaced by a general provision to disclose company's sectors in par. 20c) above.

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	assessment and with the way it discloses material sector-specific information.	
(d) where applicable, a statement indicating, together with the related revenues, that the undertaking is active in:	(d) where applicable, a statement indicating, together with the related revenues, <u>whether</u> the undertaking is active in:	Amended Editorial
i. the fossil fuel (coal, oil and gas) sector; (i.e., it derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council), including a disaggregation of revenues derived from coal, from oil and from gas, as well as the revenues derived from Taxonomy-aligned economic activities related to fossil gas as required under Article 8(7)(a) of Commission Delegated Regulation 2021/2178;	i. the fossil fuel (coal, oil and gas) sector; (i.e., it derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council), including a disaggregation of revenues derived from coal, from oil and from gas, as well as the revenues derived from Taxonomy aligned economic activities related to fossil gas as required under Article 8(7)(a) of Commission Delegated Regulation 2021/2178;	Amended and moved These are related to EU Law and considered essential to keep The deleted text was moved to AR 14 for para. 20(d)(i).—see below as a methodology to be followed in AR when disclosing this information.
ii. chemicals production, i.e., its activities fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006;	ii. chemicals production, i.e., <u>whether</u> its activities fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006;	Unchanged These are related to EU Law and considered essential to keep
iii. controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons); and/or	iii. <u>the</u> controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons); <u>and/or</u>	Unchanged These are related to EU Law and considered essential to keep
iv. the cultivation and production of tobacco;	iv. the cultivation and production of tobacco;	Unchanged These are related to EU Law and considered essential to keep
(e) its sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders;	(e) its sustainability related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders;	Moved Moved to para. 20(b)i above. This was done to avoid boilerplate disclosures and to minimise redundancies

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(f) an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals; and	(f) an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability related goals; and	Moved Moved to para. 20(b)i above. This was done to avoid boilerplate disclosures and to minimise redundancies
(g) the elements of the undertaking's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place, when relevant for sustainability reporting.	(g) the elements of the undertaking's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place, when relevant for sustainability reporting.	Deleted Deleted to avoid boilerplate disclosure and to minimise redundancies
41. If the undertaking is based in an EU Member State that allows for an exemption from the disclosure of the information referred to in Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU , and if the undertaking has made use of that exemption, it may omit the breakdown of revenue by significant ESRS sector required by paragraph 40(b). In this case the undertaking shall nevertheless disclose the list of ESRS sectors that are significant for the undertaking.	41. If the undertaking is based in an EU Member State that allows for an exemption from the disclosure of the information referred to in Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU , and if the undertaking has made use of that exemption, it may omit the breakdown of revenue by significant ESRS sector required by paragraph 40(b). In this case the undertaking shall nevertheless disclose the list of ESRS sectors that are significant for the undertaking.	Deleted Already covered in par. 20 (c). ESRS sectors not applicable
42. The undertaking shall disclose a description of its business model and value chain, including:	42. <u>18.</u> The undertaking shall disclose a description of its business model and value chain, covering the main features of them, as well as its position in the latter, including:	Moved and Amended Simplified and moved to para. 20(a) above. The feedback received in the public call and the targeted interviews, as well as the benchmarking performed among first ESRS adopters, showcased a lack of detail from undertakings in disclosing this information. This finding together with the suggestions to remove entirely this DP resulted in the SRB and SR TEG agreeing to simplify par. 42 in the 2023 Delegated Act and to limit the information requests to the text of par. 20(a).
(a) its inputs and its approach to gathering, developing and securing those inputs;	(a) its inputs and its approach to gathering, developing and securing those inputs;	Deleted Deleted as part of the simplification approach

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(b) its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders; and	(b) its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders; and	<p>Deleted Deleted as part of the simplification approach</p>
c) the main features of its upstream and downstream value chain and the undertaking's position in its value chain, including a description of the main business actors (such as key suppliers, customers, distribution channels and end-users) and their relationship to the undertaking. When the undertaking has multiple value chains, the disclosure shall cover the key value chains.	c) the main features of its upstream and downstream value chain and the undertaking's position in its value chain, including a description of the main business actors (such as key suppliers, customers, distribution channels and end-users) and their relationship to the undertaking. When the undertaking has multiple value chains, the disclosure shall cover the key value chains.	<p>Moved Simplified and merged with par. 20(a) above</p>
AR 12. To provide the information on sectors required by paragraph 40, the undertaking shall map its significant activities in accordance with ESRS sectors. If a code for a sub-sector does not exist, the caption "others" shall be used.	AR 12. To provide the information on sectors required by paragraph 40, the undertaking shall map its significant activities in accordance with ESRS sectors. If a code for a sub-sector does not exist, the caption "others" shall be used.	<p>Deleted Deleted as ESRS sectors have been removed</p>
	<u>AR 11 for para. 20(c). (new) Disclosing the significant sectors is relevant for users, as it supports the understanding of material impacts, risks and opportunities to which the undertaking is connected, notably when these are common in a given sector. In addition, this supports the understanding of possible entity-specific information included in the sustainability statement to cover aspects that are either specific to the undertaking or common in a given sector</u>	<p>New As part of guidance for disclosing significant sectors under para. 20(c)</p>
	<u>AR 12 for para. 20(c). The sectors in which the undertaking is active are those of its own operations.</u>	<p>New As part of guidance for disclosing significant sectors under para. 20(c). To respond to implementation question asking to clarify if the sectors of the upstream and downstream value chain play a role in determining the undertaking's significant sectors.</p>
AR 13. For the purposes of the disclosures required in paragraph 40, a group of products and/or services offered, a group of markets and/or customer groups served, or an	<u>AR 13 for para. 20(b)(c). For the purposes of the disclosures required in paragraph 40-A sector, a market, and a group of products, and/or services offered or</u>	<p>Amended Editorial</p>

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ESRS sector, is significant for the undertaking if it meets one or both of the following criteria:	costumers <u>groups served</u> , <u>or an ESRS sector</u> <u>shall be considered</u> significant for the undertaking if: <u>it meets one or both of the following criteria:</u>	
(a) it accounts for more than 10 per cent of the undertaking's revenue;	(a) it accounts for more than 10 per cent of the undertaking's revenue; <u>or</u>	Amended Editorial
(b) it is connected with material actual impacts or material potential negative impacts of the undertaking.	(b) it is connected with <u>the undertaking's</u> actual or potential material impacts. <u>For significant sectors arising from activities that are internal to the group only the criterion in letter (b) applies.</u> <u>ESRS 2 General Disclosures does not mandate a specific classification system of business activities. When disclosing its significant sectors, the undertaking may apply one of the following approaches:</u> <u>(a) the NACE classification system (Nomenclature générale des Activités Economiques dans les Communautés Européennes NACE Rev.2.1);</u> <u>(b) the reportable segments disclosed in the financial statements in accordance with IFRS 8 Operating segments or local generally accepted accounting principles; or</u> <u>(c) available classification best practices or frameworks, such as the IFRS industry-based guidance and GRI Standards defined in ESRS 1 General requirements, AR 5.</u>	Amended Flexible approach on which classification approach the undertaking may use. Letter (b) is taken from former paragraph 40 (b) in the Delegated Act
AR 14. In preparing disclosures relating to its business model and value chain, the undertaking shall consider:	AR 14. In preparing disclosures relating to its business model and value chain, the undertaking shall consider:	Deleted Following the simplification
(a) its key activities, resources, distribution channels and customer segments;	(a) its key activities, resources, distribution channels and customer segments;	Deleted Following the simplification

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(b) its key business relationships and their key characteristics, including relationships with customers and suppliers;	(b) its key business relationships and their key characteristics, including relationships with customers and suppliers;	Deleted Following the simplification
(c) the cost structure and revenue of its business segments, in line with IFRS 8 disclosure requirements in the financial statement, where applicable;	(c) the cost structure and revenue of its business segments, in line with IFRS 8 disclosure requirements in the financial statement, where applicable;	Deleted Following the simplification
(d) the potential impacts, risks and opportunities in its significant sector(s) and their possible relationship to its own business model or value chain.	(d) the potential impacts, risks and opportunities in its significant sector(s) and their possible relationship to its own business model or value chain.	Deleted Following the simplification
AR 15. Contextual information may be particularly relevant for users of the undertaking's sustainability statement, to understand to what extent the disclosures include upstream and/or downstream value chain information. The description of the main features of the upstream and/or downstream value chain and where applicable the identification of key value chains should support an understanding of how the undertaking applies the requirements of ESRS 1 chapter 5 and the materiality assessment performed by the undertaking in line with ESRS 1 chapter 3. The description may provide a high-level overview of the key features of upstream and/or downstream value chain entities indicating their relative contribution to the undertaking's performance and position and explaining how they contribute to the value creation of the undertaking.	AR 15. Contextual information may be particularly relevant for users of the undertaking's sustainability statement, to understand to what extent the disclosures include upstream and/or downstream value chain information. The description of the main features of the upstream and/or downstream value chain and where applicable the identification of key value chains should support an understanding of how the undertaking applies the requirements of ESRS 1 chapter 5 and the materiality assessment performed by the undertaking in line with ESRS 1 chapter 3. The description may provide a high-level overview of the key features of upstream and/or downstream value chain entities indicating their relative contribution to the undertaking's performance and position and explaining how they contribute to the value creation of the undertaking.	Deleted Following the simplification
	<u>AR 14 for para. 20(d)(i).</u> <u>The calculation of revenues derived from the fossil fuel sector shall be based on revenues from the exploration, mining, extraction, production, processing, storage, refining and/or distribution of fossil fuels, including their transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council; including the undertaking may present a disaggregation of revenues derived from coal, oil and gas as well as the</u>	Moved Moved from par. 40(d)(i) of the Delegated Act. Also deleted the Taxonomy reference

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	revenues derived from Taxonomy aligned economic activities related to fossil gas as required under Article 8(7)(a) of Commission Delegated Regulation 2021/21781.	
Disclosure Requirement SBM-2 – Interests and views of stakeholders	Disclosure Requirement SBM-2 – Interests and views of stakeholders	Unchanged
43. The undertaking shall disclose how the interests and views of its stakeholders are taken into account by the undertaking's strategy and business model.	43. The undertaking shall disclose how the interests and views of its stakeholders are taken into account by the undertaking's strategy and business model.	Deleted Deleted this para. to avoid repetitions
44. The objective of this Disclosure Requirement is to provide an understanding of how <i>stakeholders</i> ' interests and views inform the undertaking's strategy and <i>business model</i> .	44. 21. (44) The objective of this Disclosure Requirement DR is to provide enable an understanding of the undertaking's stakeholder engagement and whether and how key stakeholders' interests and views are brought to the attention of its administrative, management and supervisory bodies and inform the undertaking's its strategy and business model.	Amended To reflect the objective of the DR regarding key stakeholders
45. The undertaking shall disclose a summarised description of: (a) its stakeholder engagement, including: i. the undertaking's key stakeholders; ii. whether engagement with them occurs and for which categories of <i>stakeholders</i> ; iii. how it is organised; iv. its purpose; and v. how its outcome is taken into account by the undertaking;	45. 22. (45) The undertaking shall disclose: (a) a summarised description of its stakeholder engagement, including—i. the undertaking's key stakeholders; ii. whether engagement with them occurs and for information about the which key categories of stakeholders with which it engaged, with reference to typical categories of affected stakeholders defined in ESRS 1 General requirements, AR 21; iii. how it is organised; iv. its purpose; and v. how its outcome is taken into account by the undertaking;	Amended Points iii and iv) deleted from mandatory content following the simplification approach Other points deleted to streamline and reduce the granularity of this provision in line with the results of the public survey
(b) the undertaking's understanding of the interests and views of its key <i>stakeholders</i> as they relate to the undertaking's strategy and <i>business model</i> , to the extent that these were analysed during the undertaking's due diligence process and/or <i>materiality</i> assessment	(b) the undertaking's its understanding of the interests and views of its key stakeholders as they relate to the undertaking's its strategy and business model; and to the extent that these were analysed during the undertaking's due diligence process and/or materiality assessment	Amended To streamline and reduce the granularity of this provision

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diligence process and/or <i>materiality</i> assessment process (see Disclosure Requirement IRO-1 of this Standard);	process (see Disclosure Requirement IRO-1 of this Standard);	
<p>(c) where applicable, amendments to its strategy and/or business model, including:</p> <ul style="list-style-type: none"> i. how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders; ii. any further steps that are being planned and in what timeline; and iii. whether these steps are likely to modify the relationship with and views of stakeholders; and 	<p>(c) where applicable, amendments to its strategy and/or business model, including:</p> <ul style="list-style-type: none"> i. how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders; ii. any further steps that are being planned and in what timeline; and iii. whether these steps are likely to modify the relationship with and views of stakeholders; and 	<p>Deleted To reduce unnecessary granularity</p>
(d) whether and how the <i>administrative, management and supervisory bodies</i> are informed about the views and interests of affected stakeholders with regard to the undertaking's sustainability-related impacts.	<p>d) c) whether and how the <i>administrative, management and supervisory bodies</i> are informed about the views and interests of <u>key affected stakeholders (including workers' representatives)</u> with regard to the <u>undertaking's sustainability related impacts its material impacts, risks and opportunities.</u></p>	<p>Amended Streamlined and clarified, by using language from CSRD Art. 19a. 5. to clarify whether and how workers' representatives are involved in the materiality assessment</p>
AR 16. The views and interests of stakeholders that are expressed as part of the undertaking's engagement with stakeholders through its due diligence process may be relevant to one or more aspects of its strategy or business model. As such, they may affect the undertaking's decisions regarding the future direction of the strategy or business model.	<p>AR 16. The views and interests of stakeholders that are expressed as part of the undertaking's engagement with stakeholders through its due diligence process may be relevant to one or more aspects of its strategy or business model. As such, they may affect the undertaking's decisions regarding the future direction of the strategy or business model.</p>	<p>Deleted Deleted following the amendments of the related paragraphs</p>
Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement SBM-3 Material impacts, risks and opportunities and their Interaction of material impacts, risks and opportunities with strategy and business model, and financial effects	<p>Amended Changed title to reflect the changes and to make stronger connection with financial effects</p>
46. The undertaking shall disclose its material impacts, risks and opportunities and how they interact with its strategy and business model.	<p>46. The undertaking shall disclose its material impacts, risks and opportunities and how they interact with its strategy and business model.</p>	<p>Deleted Deleted this par. to avoid repetitions</p>
47. The objective of this Disclosure Requirement is to provide an understanding of the material impacts, risks and opportunities as they result from the undertaking's	<p>47. 23. (47 amended) The objective of this Disclosure Requirement DR is to enable provide an understanding of the interactions between the undertaking's material</p>	<p>Amended</p>

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<p>materiality assessment and how they originate from and trigger adaptation of the undertaking's strategy and business model including its resources allocation. The information to be disclosed about the management of the undertaking's material impacts, risks and opportunities is prescribed in topical ESRS and in sector-specific standards, which shall be applied in conjunction with the Minimum Disclosure Requirements on policies, actions and targets established in this Standard.</p>	<p>impacts, risks and opportunities, <u>as they result from the undertaking's materiality assessment and how they originate from and trigger adaptation of the undertaking's strategy and business model including its resources allocation and its strategy and business model, as well as of the related financial effects. The information to be disclosed about the management of the undertaking's material impacts, risks and opportunities is prescribed in topical ESRS and in sector-specific standards,, which shall be applied in conjunction with the Minimum Disclosure Requirements on policies, actions and targets established in this Standard.</u></p>	<p>Amended the objective to make clearer that this DR relates to interactions of material IROs (including financial effects) with the strategy and business model of the undertaking. The amendments aim to differentiate the interaction of IROs with strategy and business model (which are maintained in SBM-3) from the general description of IROs that undertakings now disclose under IRO-2. This adaptation also reflects the messages received in the targeted interviews and public call to better define what SBM disclosures ask as opposed to IRO disclosures, as well as to facilitate less granular (generally at topical level) in SBM 3.</p>
<p>48. The undertaking shall disclose:</p>	<p><u>48. The undertaking shall disclose:</u></p>	<p>Moved merged to paragraph 24 below</p>
<p>(a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;</p>	<p><u>48. 24. (48 amended) The undertaking shall disclose a brief high-level description of its how material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), originate from its strategy and business model, the effects of risks and opportunities on its business model and value chain, and how it has responded, and plans to respond, to them in its strategy and decision-making, including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated.</u></p>	<p>Amended Clarified that the disclosure under SBM-3 should focus on IROs with interactions with the undertaking's business model and strategy</p>
<p>(b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;</p>	<p><u>(b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;</u></p>	<p>Moved Simplified and merged with par. 24) above</p>

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(c) with reference to the undertaking's material impacts:	(e) with reference to the undertaking's material impacts:	Moved Simplified and merged with par. 24) above
i. how the undertaking's material negative and positive impacts affect (or, in the case of potential impacts, are likely to affect) people or the environment;	i. how the undertaking's material negative and positive impacts affect (or, in the case of potential impacts, are likely to affect) people or the environment;	Moved Simplified and included in IRO-2 para. 37 (a) where the general description of IROs has been moved
ii. whether and how the impacts originate from or are connected to the undertaking's strategy and business model;	ii. whether and how the impacts originate from or are connected to the undertaking's strategy and business model;	Moved Simplified and merged with par. 24) above
iii. the reasonably expected time horizons of the impacts; and	iii. the reasonably expected time horizons of the impacts; and	Deleted Deleted following the simplification approach
iv. whether the undertaking is involved with the material impacts through its activities or because of its business relationships, describing the nature of the activities or business relationships concerned;	iv. whether the undertaking is involved with the material impacts through its activities or because of its business relationships, describing the nature of the activities or business relationships concerned;	Moved Simplified and included in IRO-2 para. 37 (a) where the general description of IROs has been moved
(d) the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	25. the current financial effects of the undertaking's material risks and opportunities on its The undertaking shall disclose qualitative and quantitative information about how material risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period (current financial effects). and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	Amended Simplified with an explicit and direct reference to the financial statements
	26. The undertaking shall disclose qualitative information about the material risks and opportunities identified in paragraph 25 for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of	Moved From 48 d of the 2023 Delegated Act following a similar approach to that defined in IFRS S1

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	assets and liabilities reported in the related financial statements.	
(e) the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration:	27. the anticipated financial effects of the undertaking's material risks and opportunities on <ins>The undertaking shall disclose qualitative and quantitative information on how it expects</ins> its financial position, financial performance, and cash flows to change over the short, medium and long term, <ins>including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage material risks and opportunities (anticipated financial effects). taking into consideration:</ins>	<p>Amended Amended following a similar approach to that defined in IFRS S1 The disclosure of anticipated financial effects has been a topic of considerable debate within the SRT and SRB, with differing views expressed. Following the public consultation findings and the discussions at SR TEG and SRB, SBM-3 requires quantifications of anticipated financial effects. To address the many concerns heard mainly by preparers and associations representing them, the Standard includes new additional reliefs which are illustrated in the following paragraphs and in AR, in line with IFRS S1.</p>
	28. <u>(new) The undertaking need not provide quantitative information about the current financial effects or anticipated financial effects if it determines that:</u>	<p>New Additional flexibility to omit quantitative information added, following a similar approach to that defined in IFRS S1</p>
	(a) <u>the effects are not separately identifiable; or</u>	<p>New Additional flexibility to omit quantitative information added, following a similar approach to that defined in IFRS S1</p>
	(b) <u>the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful (see ESRS 1 General Requirements, paragraphs 89 and 90).</u>	<p>New Additional flexibility to omit quantitative information added, following a similar approach to that defined in IFRS S1</p>
	29. <u>(new) The undertaking need not provide quantitative information about the anticipated financial</u>	<p>New</p>

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	<u>effects of material risks or opportunities if it does not have the skills, capabilities or resources to provide that quantitative information.</u>	Additional flexibility to omit quantitative information added, following a similar approach to that defined in IFRS S1
	<u>30. (new) In preparing disclosures about its anticipated financial effects, the undertaking shall use all reasonable and supportable information available to it at the reporting date without undue cost or effort (see ESRS 1 General Requirements, paragraphs 94, 95 and 96).</u>	New Added an explicit reference to the “undue cost or effort” proportionality mechanism defined in ESRS 1
	<u>31. If the undertaking cannot provide quantitative information about the current financial effects or anticipated financial effects of a risk or opportunity in accordance with paragraphs 28 and 29, it shall:</u>	New Following a similar approach to that defined in IFRS S1 when omitting quantitative information after applying the reliefs defined in paras. 28 and 29
	<u>(a) explain why it has not provided quantitative information;</u>	New Following a similar approach to that defined in IFRS S1 when omitting quantitative information after applying the reliefs defined in paras. 28 and 29
	<u>(b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that risk or opportunity; and</u>	New Following a similar approach to that defined in IFRS S1 when omitting quantitative information after applying the reliefs defined in paras. 28 and 29
	<u>(c) provide quantitative information about the combined financial effects of that risk or opportunity with other risks or opportunities and other factors, unless the undertaking determines that quantitative information about the combined financial effects would not be useful.</u>	New Following a similar approach to that defined in IFRS S1 when omitting quantitative information after applying the reliefs defined in paras. 28 and 29

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	<p><u>32. (48(f) amended) When providing quantitative information, the undertaking may present single amounts or ranges.</u></p>	<p>Amended Moved from 48(f) of the Delegated Act</p>
	<p><u>AR 15 for para. 24. The undertaking may consider the linkages that exist between paragraph 24 and IRO2, paragraph 37(a) to present the content in a way that avoids duplications and facilitates an understanding of the information reported in accordance with these paragraphs. Paragraph 24 focuses on reporting the interaction of the undertaking's material impacts, risks and opportunities with its strategy and business model. IRO-2, paragraph 37(a) focuses on a description of those impacts, risks and opportunities and how they are likely to affect people and the environment. A description of the undertaking's material impacts, risks and opportunities is required in accordance with IRO-2, paragraph 37(a). The undertaking may present the descriptions of its material impacts, risks and opportunities in the same location as its disclosures on the related policies, actions, metrics and targets through which it manages them, in order to avoid duplication and support a coherent narrative.</u></p>	<p>New Methodological AR, to clarify the focus of the different disclosures that include description of IROs (SBM 3, IRO 2 and PAT).</p>
	<p><u>AR 16 for paras. 25 and 26. If the information is included in the financial statements, it may be incorporated by reference (see ESRS 1 General Requirements, Chapter 9.3).</u></p>	<p>New New methodological AR added to clarify the possibility of incorporating certain information by reference</p>
<p>i. its investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the undertaking is not contractually committed to; and</p>	<p><u>AR 17 for para. 27. (48(d) amended) In preparing the disclosure on anticipated financial effects, the undertaking shall consider how it expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage risks and opportunities, taking into consideration:</u></p>	<p>Amended and Moved Moved to AR as a methodological provision [Last sentence of 48e) in Delegated Act moved here</p>

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	(a) its <u>announced</u> investment and disposal plans (for example, e.g. capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans <u>to which</u> the undertaking is not contractually committed to ; and	
ii. its planned sources of funding to implement its strategy”.	ii. (b) its planned sources of funding to implement its strategy.	Amended and Moved moved to AR as a methodological provision
	<u>AR 18 for paras. 25 and 27. Quantitative information may consist of non-monetary information such as volumes, number of products, or number of employees.</u>	New To clarify the type of quantitative information that meets the requirements, following feedback received during the public consultation
	<u>AR 19 for paras. 25 and 27. In presenting information reported in accordance with paragraphs 25 and 27 about current financial effects and anticipated financial effects, the undertaking may consider the linkage with the information reported in accordance with GDR-A, paragraphs 46(b)(c) about financial resources allocated to the key actions</u>	New To clarify the linkages with information provided under GDR-A, avoiding duplications through cross-references
	<u>AR 20 for paras. 25 and 27. The DR related to current financial effects and anticipated financial effects are designed to produce information that complements information provided in the financial statements. See Chapter 9 of ESRS 1 General Requirements for the requirements on how to support the understandability of connections between risks and opportunities and the information reported in the financial statements</u>	New To clarify the linkages with information provided in the financial statements avoiding duplications through cross-references
	<u>AR 21 for paras. 28 and 29. (new) If the undertaking cannot provide quantitative information in accordance with paragraphs 28 and 29, it is expected to provide qualitative information that is decision useful according to paragraph 23 of ESRS 1 General Requirements. In</u>	New To clarify that qualitative information should be decision useful according to the information materiality principle defined in ESRS 1 and that if the resulting

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	<u>such instance, paragraph 24 of ESRS 1 General Requirements also applies.</u>	information is not material, it does not have to be reported.
(f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons).	<p>(f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons).</p> <p><u>33. The undertaking shall disclose qualitative information about the resilience of its strategy and business model regarding its capacity to manage its material risks as disclosed in accordance with paragraph 24. This information shall include how the analysis was conducted and the time horizons considered.</u></p>	<p>Amended</p> <p>Better specified that the related information should be disclosed only in relation to material risks with implications with strategy and business model (not in relation to all risks), in line with the provision of CSRD art. 19 (a). The disclosure is limited to qualitative information.</p>
When providing quantitative information, the undertaking may disclose single amounts or ranges;	48 (f) AR 18 for para. 23. (48(f) amended) When providing quantitative information, the undertaking may present single amounts or ranges	<p>Moved</p> <p>Use of ranges moved to new Para 32. And it applies to quantifications of anticipated financial effects</p>
(g) changes to the material impacts, risks and opportunities compared to the previous reporting period; and	(g) 28c) changes to the material impacts, risks and opportunities compared to the previous reporting period; and	<p>Moved</p> <p>Moved to para. 37c) in IRO-2 – See below In line with the decision taken to move in IRO-2 the IROs general description</p>
(h) a specification of those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by the undertaking using additional entity-specific disclosures	h) a specification of those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by the undertaking using additional entity-specific disclosures	<p>Deleted</p> <p>Deleted to avoid repetition and reduce granularity</p>
49. The undertaking may disclose the descriptive information required in paragraph 46 alongside the disclosures provided under the corresponding topical ESRS,	49. The undertaking may disclose the descriptive information required in paragraph 46 alongside the disclosures provided under the corresponding topical	<p>Deleted</p> <p>Deleted and replaced in AR 29 of IRO-2</p>

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in which case it shall still present a statement of its material impacts, risks and opportunities alongside its disclosures prepared under this chapter of ESRS 2.	ESRS, in which case it shall still present a statement of its material impacts, risks and opportunities alongside its disclosures prepared under this chapter of ESRS 2.	
AR 17 When describing where in its upstream and/or downstream value chain material impacts, risks and opportunities are concentrated, the undertaking shall consider: geographical areas, facilities or types of assets, inputs, outputs and distribution channels	AR 17 When describing where in its upstream and/or downstream value chain material impacts, risks and opportunities are concentrated, the undertaking shall consider: geographical areas, facilities or types of assets, inputs, outputs and distribution channels	Deleted Following the simplification
AR 18 This disclosure may be expressed in terms of a single impact , risk or opportunity or by aggregating groups of material impacts, risks and opportunities, when this provides more relevant information and does not obscure material information	AR 18 This disclosure may be expressed in terms of a single impact , risk or opportunity or by aggregating groups of material impacts, risks and opportunities, when this provides more relevant information and does not obscure material information	Deleted Replaced as the reference to level of aggregation / disaggregation is included in paragraph 2
4.1 Disclosures on the materiality assessment process 50. This chapter sets disclosure requirements that enable an understanding of:	4.1 Disclosures on the materiality assessment process 50. This chapter sets disclosure requirements that enable an understanding of:	Deleted Deleted to avoid repetitions
(a) the process to identify material impacts, risks and opportunities; and	(a) the process to identify material impacts, risks and opportunities; and	Deleted Deleted to avoid repetitions
(b) the information that, as a result of its materiality assessment, the undertaking has included in its sustainability statement.	(b) the information that, as a result of its materiality assessment, the undertaking has included in its sustainability statement.	Deleted Deleted to avoid repetitions
Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities <u>and material information to be reported</u>	Amended Aligned with the requirements under this DR
51. The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.	51. The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.	Deleted Deleted to avoid repetitions
52. The objective of this Disclosure Requirement is to provide an understanding of the process through which the undertaking identifies impacts, risks and opportunities and assesses their materiality, as the basis for determining	52. <u>34</u> The objective of this Disclosure Requirement DR is to provide an understanding of the process through which the undertaking identifies impacts, risks, opportunities, <u>and the related topics</u> and assesses their	Amended Amended based in ESRS 1

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the disclosures in its sustainability statement (see ESRS 1 chapter 3 and its related Application Requirements, which set out requirements and principles regarding the process to identify and assess material impacts, risks and opportunities based on the principle of double materiality).	materiality, as the basis for determining the disclosures <u>to be made</u> in its sustainability statement (see ESRS 1 <u>General Requirements</u> Chapter 3) <u>and its related Application Requirements, which set out requirements and principles regarding the process to identify and assess material impacts, risks and opportunities based on the principle of double materiality</u>).	
53. The undertaking shall disclose the following information:	53. <u>35.</u> The undertaking shall disclose the following information:	Amended Editorial amendment
	<u>(a) a concise description of the process and decision-making steps it follows to identify impacts, risks and opportunities and the related topics and to assess their materiality, including the approach to cover its own operations and its upstream and downstream value chain covered, the key methodologies, inputs and assumptions adopted, as well as the qualitative considerations or quantitative thresholds;</u>	Amended Merged and simplified into one paragraph the following paragraphs from the 2023 Delegated Act: 53(a) 53(c) 53(c) ii 53(d) 53(g)
	<u>(b) how it assessed and prioritised impacts based on their severity and likelihood (see ESRS 1 General Requirements, paragraphs 44 and 45), how prevention, mitigation and remediation actions are considered, and how the undertaking considered areas of heightened risks of negative impacts or risks related to specific activities, business relationships, or geographies;</u>	Amended Merged and simplified into one paragraph the following paragraphs from the 2023 Delegated Act: 53(b) i 53(b) iv. To reflect the guidance in paragraph 32 (b) and 44 of ESRS 1.
	<u>c) whether the assessment is informed by the undertaking's sustainability due diligence process, and, if it consults with affected stakeholders and external</u>	Amended Merged and simplified into one paragraph the following paragraphs from the Delegated Act:

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	<u>experts to understand the impacts, how it leverages in the process;</u>	53(b) 53(b) ii 53(b) iii
	<u>(d) significant changes to the process compared to the prior reporting period.</u>	Moved Moved from 53 (h) of the Delegated Act
(a) a description of the methodologies and assumptions applied in the described process;	(a) a description of the methodologies and assumptions applied in the described process;	Amended Reduced granularity in line with the results of the public survey in para. 35(a) above
(b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, "including an explanation of whether and how the process:	(b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, "including an explanation of whether and how the process:	Moved Simplified and moved to para. 35 (c) above
i. focusses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts;	i. focusses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts;	Moved Simplified and moved in 35 (b) above
ii. considers the impacts with which the undertaking is involved through its own operations or as a result of its business relationships;	ii. considers the impacts with which the undertaking is involved through its own operations or as a result of its business relationships;	Moved Merged with par. 35(c) above
iii. includes consultation with affected stakeholders to understand how they may be impacted and with external experts;	iii. includes consultation with affected stakeholders to understand how they may be impacted and with external experts;	Moved Simplified and clarified the disclosure related to engagement with affected stakeholders and moved to 35 (c)
iv. prioritises negative impacts based on their relative severity and likelihood, (see ESRS 1 section 3.4 Impact materiality) and, if applicable, positive impacts on their	iv. prioritises negative impacts based on their relative severity and likelihood, (see ESRS 1 section 3.4 Impact materiality) and, if applicable, positive impacts on their	Moved

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relative scale, scope and likelihood, and determines which sustainability matters are material for reporting purposes, including the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.4 Impact materiality;	relative scale, scope and likelihood, and determines which sustainability matters are material for reporting purposes, including the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.4 Impact materiality;	Simplified and moved in 35 (b) above
(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include:	(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include	Moved Simplified and moved in 35 (a) above
i. how the undertaking has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies;	i. (e) how the undertaking has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies in the identification and assessment of its risks and opportunities;	Moved Moved to AR 23 below
ii. How the undertaking assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities (such as the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.3 Financial materiality);	ii. How the undertaking assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities (such as the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.3 Financial materiality);	Moved Moved and simplified in para. 35 (a) above
iii. How the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools;	iii. How the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools;	Deleted Reduced granularity in line with the simplification approach
(d) a description of the decision-making process and the related internal control procedures;	(d) a description of the decision-making process and the related internal control procedures;	Moved Moved to para. 35 (a) above and changed wording to "decision-making steps"
(e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes;	(e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes;	Deleted Reduced granularity in line with the simplification approach

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(f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;	(f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;	<p>Deleted Reduced granularity in line with the simplification approach</p>
(g) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and	(g) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and	<p>Moved Merged with par. 35a) above</p>
(h) whether and how the process has changed compared to the prior reporting period, when the process was modified for the last time and future revision dates of the materiality assessment.	(h) whether and how the process has changed compared to the prior reporting period, when the process was modified for the last time and future revision dates of the materiality assessment.	<p>Moved moved to 35(d)</p>
	<p><u>AR 22 for para. 35(a) (new) Input may include, where relevant and beyond generic information due diligence processes that informed the assessment, specific data sources, sector benchmark analysis, and risk management processes; engagement with affected stakeholders; industry and peer group experience; reports, statistics and scientific data; and experts' engagement.</u></p>	<p>New AR added to better specify the meaning of input parameters</p>
	<p><u>AR 23 for para. 35(a) (new) The description of the process to identify and assess material risks and opportunities is expected to cover dependencies when relevant.</u></p>	<p>New The reference to dependencies is moved from par. 53(c) i. to clarify the link with risk and opportunities</p>
	<p><u>AR 24. for para. 35(a)–(d) (new) The undertaking shall focus on information that is specific to its own materiality assessment process. It shall avoid standardised, generic disclosures, sometimes referred to as 'boilerplate', such as information describing in detail that it has applied the criteria outlined in ESRS 1 General Requirements or followed the recommended process.</u></p>	<p>New AR added to support the disclosure on the DMA process and avoid boilerplate disclosures sometimes seen in 2024 reporting.</p>
	<p><u>AR 25. for para. 35(b) (new) Information concerning engagement with affected stakeholders is addressed in</u></p>	<p>New</p>

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	<u>ESRS 2 IRO-1 and, SBM-2, and ESRS S1-S4. To avoid duplication and support a coherent narrative:</u>	AR added to support the navigation of different DRs covering stakeholder engagement (descriptive only).
	<u>(a) relevant disclosures under ESRS 2 IRO-1, paragraph 35(c), include how the materiality process includes consultation with affected stakeholders and external experts;</u>	New AR added to support the navigation of different DRs covering stakeholder engagement (descriptive only).
	<u>(b) information on ongoing engagement with affected stakeholders (as defined in ESRS 1 <i>General Requirements</i> AR 21) is addressed in the respective social standards (ESRS S1-2, S2-2, S3-2 and S4-2).</u>	New AR added to support the navigation of different DRs covering stakeholder engagement (descriptive only).
	<u>(c) disclosures related to how key affected stakeholders' (including workers' representatives') interests and views are brought to the attention of the undertakings's administrative, management and supervisory bodies and inform its strategy and business model, with regard to its material impacts, risks and opportunities, are covered under ESRS 2 SBM-2, paragraph 22(c).</u>	New AR added to support the navigation of different DRs covering stakeholder engagement (descriptive only).
	<u>AR 26 for para. 35(b) In disclosing how the undertaking considered areas of heightened risks of negative impacts or risks related to specific activities, business relationships, or geographies, guidance is provided in ESRS 1 <i>General Requirements</i>, paragraphs 32 and 33.</u>	New AR added as a link with ESRS 1
	<u>AR 27 for para. 35(d) Disclosing changes from the previous period allows users to understand the last reporting period in which a full double materiality assessment was conducted and the aspects of it that have been updated in the reporting period in accordance with ESRS 1 <i>General Requirements</i>, paragraph 35.</u>	New AR added to support transparency on the extent of changes that took place in DMA in the reporting period, in connection with ESRS 1 paragraph 35.

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Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Disclosure Requirement IRO-2 – <u>Disclosure Requirements in ESRS covered by the undertaking's Material impacts, risks and opportunities and Disclosure Requirements included in the sustainability statement</u>	Amended
54. The undertaking shall report on the Disclosure Requirements complied with in its sustainability statements.	54. The undertaking shall report on the Disclosure Requirements complied with in its sustainability statements.	Deleted Deleted this par. to avoid repetitions
55. The objective of this Disclosure Requirement is to provide an understanding of the Disclosure Requirements included in the undertaking's sustainability statement and of the topics that have been omitted as not material, as a result of the materiality assessment.	55. 36. The objective of this Disclosure Requirement is to <u>provide enable</u> an understanding of the <u>outcome Disclosure Requirements of the materiality assessment, in terms of material impacts, risks and opportunities and material information reported in accordance with ESRS, included in the undertaking's sustainability statement and of the topics that have been omitted as not material, as a result of the materiality assessment.</u>	Amended To adapt the objective to the requirements defined in this DR
56. The undertaking shall include a list of the Disclosure Requirements complied with in preparing the sustainability statement, following the outcome of the materiality assessment (see ESRS 1 chapter 3), including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement. This may be presented as a content index. The undertaking shall also include a table of all the datapoints that derive from other EU legislation as listed in Appendix B of this standard, indicating where they can be found in the sustainability statement and including those that the undertaking has assessed as not material, in which case the undertaking shall indicate "Not material" in the table in accordance with ESRS 1 paragraph 35.	56. 37. The undertaking shall <u>disclose</u> ; include a list of the Disclosure Requirements complied with in preparing the sustainability statement, following the outcome of the materiality assessment (see ESRS 1 chapter 3), including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement. This may be presented as a content index. The undertaking shall also include a table of all the datapoints that derive from other EU legislation as listed in Appendix B of this standard, indicating where they can be found in the sustainability statement and including those that the undertaking has assessed as not material, in which case the undertaking shall indicate "Not material" in the table in accordance with ESRS 1 paragraph 35.	Amended Split the requirement in two separate disclosures to better distinguish the two different information.

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	<p><u>(a) (48(a) amended) a concise description of its actual and potential, positive and negative material impacts, including how they affect or are likely to affect people or the environment, and its material risks and opportunities, specifying the related topics and how and where impacts, risks and opportunities are connected to its own operations and its upstream and downstream value chain;</u></p>	<p>Moved Moved and amended from SBM-3 para. 48a) in the Delegated Act as IRO-2 relates to the materiality outcome</p>
<p>57. If the undertaking concludes that climate change is not material and therefore omits all disclosure requirements in ESRS E1 Climate change, it shall disclose a detailed explanation of the conclusions of its materiality assessment with regard to climate change (see ESRS 2 IRO Disclosure Requirements in ESRS covered by the undertaking's sustainability statement), including a forward-looking analysis of the conditions that could lead the undertaking to conclude that climate change is material in the future.</p>	<p>57. If the undertaking concludes that climate change is not material and therefore omits all disclosure requirements in ESRS E1 Climate change, it shall disclose a detailed explanation of the conclusions of its materiality assessment with regard to climate change (see ESRS 2 IRO Disclosure Requirements in ESRS covered by the undertaking's sustainability statement), including a forward-looking analysis of the conditions that could lead the undertaking to conclude that climate change is material in the future.</p> <p><u>(b) (57 amended) the basis for concluding that climate change is not material, if the undertaking has reached this conclusion and therefore omits all DRs in ESRS E1 Climate Change;</u></p>	<p>Amended Simplified</p>
	<p><u>(c) (48(g) amended) changes related to its material impacts, risks and opportunities compared to the previous reporting period;</u></p>	<p>Moved Moved and amended from SBM-3 par. 48g) in the Delegated Act as IRO-2 relates to the materiality outcome</p>
	<p><u>(d) a list of the DRs complied with in preparing the sustainability statement, allowing users to identify where the related disclosures are located in the sustainability statement and giving a separate indication</u></p>	<p>Moved Taken from para. 56 of the Delegated Act above</p>

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	<u>of those that are incorporated by reference (see ESRS 1 General Requirements, Chapter 9.3);</u>	
	<u>(e) (15 amended) a list of 'supplementary' information provided in accordance with ESRS 1 General Requirements, Chapter 8.2;</u>	Moved Taken from former BP-2
	<u>(f) its exposure to heightened risk of incidents related to forced or compulsory labour and child labour by type of operations (such as manufacturing plants), or by countries or geographies 8 , if the undertaking is connected through its own operations or its upstream and downstream value chain to material negative impacts related to forced or compulsory labour or child labour; and</u>	Moved Taken from ESRS S1-S4 as they relate to the materiality outcome
	<u>(g) a table of all the datapoints that derive from other EU legislation as listed in Appendix A of this Standard, indicating where they can be found in the sustainability statement or, for those that the undertaking has assessed as not material, that they are 'not material'.</u>	Moved Taken from para. 56 of the 2023 Delegated Act above
58. If the undertaking concludes that a topic other than climate change is not material and therefore omits all the Disclosure Requirements in the corresponding topical ESRS, it may provide a brief explanation of the conclusions of its materiality assessment for that topic.	<u>58. If the undertaking concludes that a topic other than climate change is not material and therefore omits all the Disclosure Requirements in the corresponding topical ESRS, it may provide a brief explanation of the conclusions of its materiality assessment for that topic.</u>	Deleted Reduced granularity in line with the simplification approach
59. The undertaking shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS 1 section 3.2 Material matters and materiality of information.	<u>59. The undertaking shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS 1 section 3.2 Material matters and materiality of information.</u>	Deleted Reduced granularity and avoid boilerplate

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	<p><u>AR 28 for para. 37(a) (new) The description of material risks and opportunities also covers the related dependencies to the extent that is necessary for an understanding of those risks and opportunities.</u></p> <p><u>Paragraph 50 of ESRS 1 General Requirements applies in presenting the disclosure prescribed by this DR.</u></p>	<p>New</p> <p>Added to connect material risks and opportunities with the materiality principles and the dependencies. Feedback indicated that dependencies were not sufficiently covered. However, dependencies are not a separate disclosure objective (like impacts, risks or opportunities). They are covered as part of the description of risks and opportunities, as sources of them. Guidance in ESRS 1 paragraph 50 applies.</p>
	<p><u>AR 29 for para. 37(a) The undertaking may present the description of its material impacts, risks or opportunities in the same location as its disclosures on the related policies, actions, metrics and targets through which it manages them, in order to avoid duplication and support a coherent narrative. If the undertaking exercises this option, it shall still present a concise description of its material impacts, risks and opportunities alongside its disclosures prepared in accordance with IRO-2.</u></p>	<p>Moved and amended</p> <p>Content derives from paragraph 49 of ESRS 2 in 2023 Delegated Act, but is amended. New content added to avoid duplications between IROs and PATs across ESRS.</p>
<p>AR 19. Notwithstanding the basis for the presentation of the information about sustainability matters included in ESRS 1 chapter 8 Structure of sustainability statement, the undertaking may disclose the list of the Disclosure Requirements complied with in preparing the sustainability statement (see paragraph 54) in the general information part or in other parts of the sustainability statement as it deems appropriate. The undertaking may use a content index, i.e., a tabular list of the Disclosure Requirements included in the sustainability statement, with the indication of where they are located (page/paragraphs).</p>	<p><u>AR 19. Notwithstanding the basis for the presentation of the information about sustainability matters included in ESRS 1 chapter 8 Structure of sustainability statement, the undertaking may disclose the list of the Disclosure Requirements complied with in preparing the sustainability statement (see paragraph 54) in the general information part or in other parts of the sustainability statement as it deems appropriate. The undertaking may use a content index, i.e., a tabular list of the Disclosure Requirements included in the sustainability statement, with the indication of where they are located (page/paragraphs).</u></p> <p><u>AR 30 for para. 37(d) (AR 19) The undertaking may present the disclosure as a content index, i.e. a tabular list of the DRs included in the sustainability statement, to</u></p>	<p>Amended</p> <p>To clarify the possible options in presenting the list of DRs.</p> <p>Option to prepare content index is confirmed. Options to integrate in this disclosure the specification about incorporation by reference and about supplementary information are added.</p> <p>Option to implement a 'visual tagging' (to include number of DR in <u>section headings or paragraph titles</u>) is introduced to support a easier identification of the content.</p>

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	<p><u>support the identification of where they are located (page/paragraphs). It may present the list of information incorporated by reference in an appendix within its sustainability statement, or by including the necessary information in the list of reported DRs as required in paragraph 37(d).</u></p> <p><u>The undertaking may directly reference the DR numbers within its sustainability statement (e.g. in section headings or paragraph titles). The undertaking may present the 'supplementary' information provided under paragraph 37(e), by highlighting it in the section headings, paragraph titles, or the aforementioned content index, so that is clearly distinguished as supplementary.</u></p>	
	<p><u>General Disclosure Requirements for Policies, Actions, Metrics and Targets</u></p> <p><u>38. (new) Information about policies, actions and targets shall enable an understanding of the level at which the undertaking manages its material impacts, risks and opportunities. If the undertaking has adopted policies, put in place actions, set targets or uses metrics only for certain aspects of a topic, this shall be reflected in the way the disclosure is prepared and presented, enabling users to understand the specific aspects that are covered.</u></p>	<p>New</p> <p>To support less granular and more relevant reporting, i.e. more aligned with managerial approach, reflecting the structure of adopted policies, actions and targets, when they cover only a specific aspect of a topic.</p>
<p><i>4.2 Minimum disclosure requirements on policies and actions</i></p> <p>60. This section sets out <i>minimum disclosure requirements</i> to be included when the undertaking discloses information on its <i>policies</i> and <i>actions</i> to prevent, mitigate and remediate actual and potential material <i>impacts</i>, to address material <i>risks</i> and/or to pursue material <i>opportunities</i> (collectively, to "manage material sustainability matters"). They shall be applied together with the Disclosure</p>	<p><u>4.2 Minimum disclosure requirements on policies and actions</u></p> <p>60. This section sets out minimum disclosure requirements to be included when the undertaking discloses information on its policies and actions to prevent, mitigate and remediate actual and potential material impacts, to address material risks and/or to pursue material opportunities (collectively, to "manage material sustainability matters"). They shall be applied</p>	<p>Deleted</p> <p>To avoid repetitions</p>

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Requirements, including Application Requirements, provided in the relevant topical and sector-specific ESRS. They shall also be applied when the undertaking prepares entity-specific disclosures.	together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical and sector-specific ESRS. They shall also be applied when the undertaking prepares entity specific disclosures.	
61. The corresponding disclosures shall be located alongside disclosures prescribed by the relevant ESRS. When a single <i>policy</i> or same <i>actions</i> address several interconnected <i>sustainability matters</i> , the undertaking may disclose the required information in its reporting under one topical ESRS and cross reference to it in its reporting under other topical ESRS.	61. The corresponding disclosures shall be located alongside disclosures prescribed by the relevant ESRS. When a single policy or same actions address several interconnected sustainability matters, the undertaking may disclose the required information in its reporting under one topical ESRS and cross reference to it in its reporting under other topical ESRS.	<p>Deleted To avoid repetitions</p>
62. If the undertaking cannot disclose the information on <i>policies</i> and <i>actions</i> required under relevant ESRS, because it has not adopted policies and/or actions with reference to the specific <i>sustainability matter</i> concerned, it shall disclose this to be the case, and provide reasons for not having adopted policies and/or actions. The undertaking may disclose a timeframe in which it aims to adopt them.	62-39. (62 and 72 amended) If the undertaking <u>has not adopted</u> <u>cannot disclose the information on</u> policies, <u>and actions</u> and targets <u>required under relevant ESRS</u> , because it has not adopted policies and/or actions with reference to <u>the specific sustainability matter concerned</u> , <u>a topic related to material impacts, risks and opportunities</u> , it shall disclose <u>this fact</u> , <u>this to be the case</u> , and provide reasons for not having adopted policies and/or actions. The undertaking may disclose a timeframe in which it aims to adopt them.	<p>Amended Simplified</p>
	40. The undertaking shall apply the requirements provided below when disclosing either in accordance with a topical standard or on an entity-specific basis on: (a) its policies and actions to manage the prevention, mitigation and remediation of actual and potential material negative impacts, and to manage material risks or pursue actual and potential material positive impacts and material opportunities; and	<p>Amended and moved Formerly paragraphs 60 and 70 of ESRS 2, integrated with corresponding content for targets and metrics, as GDRs equally apply to them.</p>

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	<p><u>(b) the metrics and the targets to assess progress over time in relation to its material impacts, risks and opportunities.</u></p>	
	<p><u>APPLICATION REQUIREMENTS FOR GDR PATM</u></p>	
	<p><u>AR 31 for para. 38</u></p> <p><u>(new) If the undertaking applies the same policies, actions, metrics or targets across more than one material impact, risk or opportunity (or topic), it may disclose the information only once, in aggregate, reflecting the level at which they are managed, while making clear the scope of its application. It may cross-refer to that information from other locations in the report where it is relevant. The undertaking may structure and present its disclosures in a way that reflects the managerial approach based on its management priorities that reflect and align with its strategy and business model.</u></p>	<p>New</p> <p>Clarified that when the same PATM covers more than one material IRO (or topic) the undertaking may disclose the information just once.</p> <p>This is a good communication principle, which was not consistently applied in 2024. Comments in the public consultation showed that missing this clarification, the topical standards encouraged an unnecessary and artificial repetition of content when the same PAT covers more than one topic.</p>
	<p><u>AR 32 for para. 39</u></p> <p><u>(new) If the undertaking presents its material impacts, risks and opportunities (IRO-2, paragraph 37(a)) and the related topics in a tabular form, it may indicate in the same table the material topics or material impacts, risks and opportunities for which it does not have policies, actions or targets in place by marking them as such in the table.</u></p>	<p>New</p> <p>To encourage more effective presentation of information</p>
	<p><u>AR 33 for para. 38 (new)</u></p> <p><u>The level of detail provided may vary with regard to each DR, depending on the nature of the material impacts, risks and opportunities in question, and</u></p>	<p>New</p> <p>Added to clarify that an undertaking shall report relevant information and avoid boilerplate. This</p>

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	<p><u>differences in the undertaking's current approach to their management. The level of detail provided shall be proportionate to the severity of the impacts, the magnitude of risk or opportunity, or the importance of the impacts, risks and opportunities for the undertaking's strategy and business model. The information shall, wherever possible, be specific to the reporting period.</u> (new) When reporting on policies, actions, metrics and targets, the undertaking shall report relevant information, avoiding information that is boilerplate, and therefore not relevant for users. Excessive detail, especially about common practices, which are known to reasonably knowledgeable users, may obscure material information.</p>	encourages to avoid unnecessary details and to be more granular only where the information adds more value.
	<p>AR 34 for para. 40 (new) To avoid duplication and support a coherent narrative, the undertaking may present the description of its material impacts, risks and opportunities, as required under IRO-2, paragraph 37(a), alongside information about the policies, actions, metrics and targets through which it manages them.</p>	<p>New Added to avoid duplication of information</p>
<p>Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters</p>	<p>Minimum General-Disclosure Requirement for policies – GDR-P Policies MDR-P – Policies adopted to manage material sustainability matters</p>	<p>Amended Change in terminology reflecting that the content is applicable when material and not a 'minimum'.</p>
<p>63. The undertaking shall apply the <i>minimum disclosure requirements</i> defined in this provision when it discloses the <i>policies</i> it has in place with regard to each <i>sustainability matter</i> identified as material.</p>	<p>63. The undertaking shall apply the <i>minimum disclosure requirements</i> defined in this provision when it discloses the <i>policies</i> it has in place with regard to each <i>sustainability matter</i> identified as material.</p>	<p>Deleted Unnecessary</p>
<p>64. The objective of this <i>Minimum Disclosure Requirement</i> is to provide an understanding of the <i>policies</i> that the undertaking has in place to prevent, mitigate and remediate actual and potential <i>impacts</i>, to address <i>risks</i> and to pursue <i>opportunities</i>.</p>	<p>64. 41 (64). The objective of this GDR Minimum Disclosure Requirement is to <u>provide enable</u> an understanding of the policies that the undertaking has in place <u>to prevent manage the prevention, mitigation mitigate and remediate or remediation of material</u> actual and potential <u>negative</u> impacts, <u>and to address material</u> risks and <u>to pursue material opportunities or positive</u> impacts.</p>	<p>Amended Editorial, plus the specification for positive impacts.</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
<p>65. The undertaking shall disclose information about <i>policies</i> adopted to manage material <i>sustainability matters</i>. The disclosure shall include the following information:</p> <p>(a) a description of the key contents of the <i>policy</i>, including its general objectives and which material <i>impacts, risks or opportunities</i> the policy relates to and the process for monitoring;</p>	<p>65.42. (65 amended) The undertaking shall disclose <u>the following</u> information about policies adopted to manage <u>its</u> material <u>sustainability matters</u> <u>impacts, risks and opportunities</u>: <u>The disclosure shall include the following information:</u></p> <p>(a) a description of the key contents of the policy, including its general objectives, and <u>the</u> <u>which</u> material impacts, risks or opportunities <u>the policy</u> <u>it</u> <u>relates to</u>, <u>and, the process for monitoring</u>; <u>if there have been changes to the policies adopted during the reporting period</u>, a description of those changes;</p>	<p>Amended Specified that the policies relate to IROs and deleted specification for the process of monitoring. Instead, the disclosure is about changes in policies compared to the previous period.</p>
<p>(b) a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream <i>value chain</i>, geographies and if relevant, affected <i>stakeholder</i> groups;</p>	<p>(b) a description of the scope of the policy, or of its exclusions, in terms of <u>the undertaking's own operations, activities, its upstream and/or downstream value chain, geographies and, if relevant defined, the affected stakeholder groups</u>;</p>	<p>Amended Editorial</p>
<p>(c) the most senior level in the undertaking's organisation that is accountable for the implementation of the policy;</p>	<p>(c) the most senior level in the undertaking's organisation that is accountable for the implementation of the policy;</p>	<p>Deleted Reduced granularity</p>
<p>(d) a reference, if relevant, to the third-party standards or initiatives the undertaking commits to respect through the implementation of the policy;</p>	<p>(d) a reference, if relevant, (c) if the policy refers to the third-party standards or initiatives that the undertaking commits to respect through the implementation of the policy, a reference to the third-party standard or initiative in question; and</p>	<p>Amended Editorial</p>
<p>(e) if relevant, a description of the consideration given to the interests of key <i>stakeholders</i> in setting the policy; and</p>	<p>(e) (d) for social topics, if relevant a description of the consideration given to the interest of <u>affected key</u> stakeholders in setting <u>the</u> <u>this</u> policy, <u>if such considerations have been given</u>.</p>	<p>Amended Specified that this datapoint relates only to social topics</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
(f) if relevant, whether and how the undertaking makes the policy available to potentially affected stakeholders, and stakeholders who need to help implement it.	(f) if relevant, whether and how the undertaking makes the policy available to potentially affected stakeholders, and stakeholders who need to help implement it.	Deleted Simplification
	<u>43. (new from ESRS S1-S4)</u> <u>The undertaking shall disclose whether it has an overarching human rights policy committing to implement the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. If this is the case, the undertaking shall disclose the information specified in paragraph 42 and shall specify which groups of affected stakeholders are covered (e.g. own workforce, workers in the value chain, affected communities, consumers and end-users).</u>	Moved SFDR moved from Social Standards (S1-S4) as a result of the deletion of PAT specifications in topical standards
	<u>APPLICATION REQUIREMENTS FOR GDR-P</u> <u>AR 35 for para. 43 When disclosing information about its human rights policy to implement the UN Guiding Principles on Business and Human Rights, the undertaking shall consider 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 Organization's Declaration on Fundamental Principles and Rights at Work.</u>	Moved SFDR moved from Social Standards (S1-S4) as a result of the deletion of PAT specifications in topical standards.
MDR P – AR AR 20. Due to the interdependency between impacts on people and the environment, <i>risks and opportunities</i> , a single <i>policy</i> may apply to several material <i>sustainability matters</i> , including matters addressed by more than one topical ESRS. For example, if a single policy covers both an environmental matter and a social matter, the undertaking	<u>AR 20. Due to the interdependency between impacts on people and the environment, risks and opportunities, a single policy may apply to several material sustainability matters, including matters addressed by more than one topical ESRS. For example, if a single policy covers both an environmental matter and a social matter, the undertaking may report on the policy in the</u>	Deleted Already included above

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
<p>may report on the policy in the environmental section of its <i>sustainability statement</i>. In this case, it should include in the social section a cross-reference to the environmental section where the policy is reported. Equally a policy may be reported in the social section with a cross-reference to it in the environmental section.</p>	<p>environmental section of its sustainability statement. In this case, it should include in the social section a cross-reference to the environmental section where the policy is reported. Equally a policy may be reported in the social section with a cross-reference to it in the environmental section.</p>	
<p>AR 21. The description of the scope of the <i>policy</i> may explain which activities and/or segments of the undertaking's own operations or upstream and downstream <i>value chain</i> it concerns. The description may also explain further boundaries relevant to the specific topic or the undertaking's circumstances, which may include geographies, life cycles, etc. In certain cases, such as if the policy does not cover the full value chain, the undertaking may provide clear information regarding the extent of the value chain covered by the policy.</p>	<p>AR 21. The description of the scope of the policy may explain which activities and/or segments of the undertaking's own operations or upstream and downstream value chain it concerns. The description may also explain further boundaries relevant to the specific topic or the undertaking's circumstances, which may include geographies, life cycles, etc. In certain cases, such as if the policy does not cover the full value chain, the undertaking may provide clear information regarding the extent of the value chain covered by the policy.</p>	<p>Deleted Voluntary datapoints</p>
<p>Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</p>	<p><u>Minimum General-Disclosure Requirement for actions – GDR-A Actions MDR-A – Actions and resources in relation to material sustainability matters</u></p>	<p>Amended Change in terminology as described above</p>
<p>66. The undertaking shall apply the requirements for the content of disclosures in this provision when it describes the <i>actions</i> through which it manages each material sustainability matter including action plans and resources allocated and/or planned.</p>	<p>66. The undertaking shall apply the requirements for the content of disclosures in this provision when it describes the <i>actions</i> through which it manages each material sustainability matter including action plans and resources allocated and/or planned.</p>	<p>Deleted To avoid repetitions</p>
<p>67. The objective of this <i>Minimum Disclosure Requirement</i> is to provide an understanding of the key <i>actions</i> taken and/or planned to prevent, mitigate and <i>remediate</i> actual and potential <i>impacts</i>, and to address <i>risks</i> and <i>opportunities</i>, and where applicable achieve the objectives and targets of related <i>polices</i>.</p>	<p>67. 44. (67) The objective of this <i>Minimum Disclosure Requirement</i> is to provide enable an understanding of the <i>undertaking's</i> key <i>actions</i>, taken and/or planned, to <i>manage its material</i> to prevent, mitigate and <i>remediate</i> actual and potential <i>impacts</i>, and to address <i>risks</i> and <i>opportunities</i>, and where applicable, to achieve the objectives of related <i>polices</i>.</p>	<p>Amended Editorial</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
<p>68. Where the implementation of a <i>policy</i> requires <i>actions</i>, or a comprehensive action plan, to achieve its objectives, as well as when actions are implemented without a specific policy, the undertaking shall disclose the following information:</p> <p>(a) the list of key actions taken in the reporting year and planned for the future, their expected outcomes and, where relevant, how their implementation contributes to the achievement of policy objectives and <i>targets</i>;</p>	<p>68 45 (68 amended) Where the implementation of a policy requires actions or a comprehensive action plan, to achieve its objectives, as well as when actions are implemented without a specific policy, When the undertaking implements key actions to manage material impacts, risks and opportunities, it shall disclose the following information:</p> <p>(a) the list a description of the key actions-taken in the reporting year and those planned for the future, including their scope and timeframe; and their expected outcomes and, where relevant, how their implementation contributes to the achievement of policy objectives and targets;</p>	<p>Amended Simplified. Not asking the list of key actions anymore but a description</p>
<p>(b) the scope of the key actions (i.e., coverage in terms of activities, value chain, geographies and, if applicable, affected stakeholder groups);</p>	<p>(b) the scope the expected outcomes of the key actions (i.e., coverage in terms of activities, value chain, geographies and, if applicable, affected stakeholder groups) and, where applicable, how their implementation contributes to achieving the related policy objectives.</p>	<p>Moved Simplified. Scope is included in para. 45 (a). Included also a reference to how implementing those key actions contribute to the policies adopted.</p>
<p>(c) the time horizons under which the undertaking intends to complete each key action;</p>	<p>(c) the time horizons under which the undertaking intends to complete each key action;</p>	<p>Moved Simplified and included the timeframe in para. 45 (a)</p>
<p>(d) if applicable, key actions taken (along with results) to provide for and cooperate in or support the provision of <i>remedy</i> for those harmed by actual material impacts;</p>	<p>(d) if applicable, key actions taken (along with results) to provide for and cooperate in or support the provision of remedy for those harmed by actual material impacts;</p>	<p>Deleted Reduced granularity and included as a guidance in AR</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
(e) if applicable, quantitative and qualitative information regarding the progress of actions or action plans disclosed in prior periods.	(e) if applicable, quantitative and qualitative information regarding the progress of actions or action plans disclosed in prior periods.	Deleted Reduced granularity in line with the simplification approach
69. Where the implementation of an action plan requires significant operational expenditures (Opex) and/or capital expenditures (Capex) the undertaking shall:	46. (69 amended) Where the implementation of an action plan requires significant operational expenditures (Opex) and/or capital expenditures (Capex) financial resources (operational and/or capital expenditure) have been or are expected to be allocated to the implementation of the key actions, the undertaking shall:	Amended Editorial
(a) describe the type of current and future financial and other resources allocated to the action plan, including if applicable, the relevant terms of sustainable finance instruments, such as green bonds, social bonds and green loans, the environmental or social objectives, and whether the ability to implement the actions or action plan depends on specific preconditions, e.g., granting of financial support or public policy and market developments;	(a) describe the type of current and future significant financial and other resources allocated to the key actions action plan, including if applicable, the relevant terms of sustainable finance instruments, such as green bonds, social bonds and green loans, the environmental or social objectives and whether the ability to implement these key actions or action plan depends on specific preconditions (e.g., granting of financial support or public policy and market developments);	Amended Simplified Adjusted to link financial resources to key actions.
(b) provide the amount of current financial resources and explain how they relate to the most relevant amounts presented in the financial statements	(b) disclose provide the amount of current significant financial resources allocated to the key actions in the reporting period (if any) and indicate the corresponding line items or notes where they are included in and explain how they relate to the most relevant amounts presented in the financial statements; and	Amended Simplified only asking for significant resources and specified that it relates to resources allocated in the reporting period
(c) provide the amount of future financial resources.	(c) provide the an indicative range amount of future financial resources expected to be allocated for the implementation of the key actions.	Amended

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
		Greater flexibility considering feedback from preparers regarding the challenges of estimating future financial resources
AR 22. Key <i>actions</i> in the context of this <i>Minimum Disclosure Requirement</i> are those actions that materially contribute to achieving the undertaking's objectives in addressing material <i>impacts, risks and opportunities</i> . For reasons of understandability, key actions may be aggregated where appropriate.	<p>APPLICATION REQUIREMENTS FOR GDR-A</p> <p><u>AR 36 for para. 45</u> Key actions in the context of this <u>DR Minimum Disclosure Requirement</u> are those actions that <u>materially contribute to achieving play a significant role in managing</u> the undertaking's <u>objectives in addressing</u> material impacts, risks and opportunities <u>including actions taken to support the provision of remedy</u>. <u>Key actions include actions that are part of the undertaking's business practices, sustainability due diligence and overall business and risk management.</u> <u>Key actions may have been initiated in prior reporting periods and continue to be implemented or produce effects in the current reporting period. For reasons the sake of understandability, key actions may be aggregated where appropriate if applicable. Conversely, if key actions cover more than one material impact, risk or opportunity, this can be indicated and cross-referenced if necessary.</u></p>	<p>Amended</p> <p>Included reference to actions that support remedy, moved here from social standards where they are deleted following the deletion of PAT content in topical standards.</p> <p>Actions taken in previous years that may still be relevant and reference to cross-referencing.</p> <p>Guidance on flexibilities on how to present the disclosure (aggregation or cross-reference).</p>
	<p><u>AR 37 for para. 45 (new)</u> Actions may be undertaken individually or in collaboration with other undertakings, especially if actual impacts or potential impacts are systemic or widespread in nature and cannot be addressed by the undertaking alone. Users may find it useful to know whether a key action is collaborative.</p>	<p>Moved and Amended</p> <p>Moved and amended from social ESRS to clarify the meaning of collective actions</p>
	<p><u>AR 38 for para. 45 (new)</u> In the description of environmental actions, these may be classified in accordance with the mitigation hierarchy (i.e. avoidance, minimisation, restoration and compensation).</p>	<p>New</p> <p>Content moved from environment ESRS to clarify possible element to cover when referring to mitigation hierarchy. Move reflects the deletion of PAT content in topical standards.</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
	<p><u>AR 39 for para. 45(a)(68(b)(c) amended) The scope of key actions refers to their coverage in terms of activities within its own operations, its upstream and downstream value chain, subsidiaries, geographies, and if defined, the affected stakeholder groups in scope. The timeframe refers to the time horizons over which the undertaking intends to complete each action.</u></p>	<p>Moved Moved to AR from former para. 68 b) and c)</p>
<p>AR 23. Information on resource allocation may be presented in the form of a table and broken down between capital expenditure and operating expenditure, and across the relevant time horizons, and between resources applied in the current reporting year and the planned allocation of resources over specific time horizons.</p>	<p><u>AR 23, AR 40 for para. 46 The undertaking may present the information on resource allocation may be presented in the form of a table broken down between (i) capital expenditure and operating expenditure, and across the relevant time horizons, and between (ii) resources applied in the current reporting year and the planned allocation of resources over specific time horizons.</u></p>	<p>Amended Simplified.</p>
	<p><u>AR 41 for para. 46(b)(c) (new). If the undertaking has allocated significant non-financial resources (e.g. fulltime equivalent resources), the information about those resources may be presented as non-monetary quantities.</u></p>	<p>New Added a new AR, to specify examples of non-monetary resources. To avoid requiring the conversion in monetary terms of allocated FTEs.</p>
	<p><u>AR 42 for para. 46(b)(c) (new) When preparing disclosures on significant financial resources that have been or are expected to be allocated to the implementation of key actions, the undertaking may limit the disclosure to:</u></p> <p><u>(a) its approved and announced key actions and action plans; and</u></p> <p><u>(b) its planned sources of funding for implementing these key actions</u></p>	<p>New Following the public consultation, and to respond to additional concerns of preparers requesting more simplified disclosures of financial resources related to actions, a clarification is added in this AR which allows undertakings to limit the information on financial resources to their approved and announced actions and their planned sources</p>
<p>5. Metrics and targets 70. This chapter sets out <i>Minimum Disclosure Requirements</i> that shall be included when the undertaking</p>	<p>5. Metrics and targets 70. This chapter sets out <i>Minimum Disclosure Requirements</i> that shall be included when the</p>	<p>Deleted To avoid repetitions</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
discloses information on its <i>metrics</i> and <i>targets</i> related to each material sustainability matter. They shall be applied together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical ESRS. They shall also be applied when the undertaking prepares entity-specific disclosures	undertaking discloses information on its metrics and targets related to each material sustainability matter. They shall be applied together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical ESRS. They shall also be applied when the undertaking prepares entity specific disclosures	
71. The corresponding disclosures shall be located alongside disclosures prescribed by the topical ESRS.	71. The corresponding disclosures shall be located alongside disclosures prescribed by the topical ESRS.	<p>Deleted Content included in AR 34</p>
72. If the undertaking cannot disclose the information on targets required under the relevant topical ESRS, because it has not set targets with reference to the specific sustainability matter concerned, it shall disclose this to be the case, and provide reasons for not having adopted targets. The undertaking may disclose a timeframe in which it aims to adopt them.	72. If the undertaking cannot disclose the information on targets required under the relevant topical ESRS, because it has not set targets with reference to the specific sustainability matter concerned, it shall disclose this to be the case, and provide reasons for not having adopted targets. The undertaking may disclose a timeframe in which it aims to adopt them.	<p>Deleted Content included in para. 39</p>
Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters	<u>Minimum General-Disclosure Requirement for metrics – GDR-M Metrics MDR-M – Metrics in relation to material sustainability matters</u>	<p>Amended Change in terminology, see above.</p>
73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.	73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.	<p>Deleted To reduce repetitions</p>
74. The objective of this <i>Minimum Disclosure Requirement</i> is to provide an understanding of the <i>metrics</i> the undertaking uses to track the effectiveness of its <i>actions</i> to manage material <i>sustainability matters</i> .	74. 47. (74) The objective of this <i>Minimum Disclosure Requirement</i> is to provide an understanding of the <i>metrics</i> the undertaking uses to track the effectiveness of its <i>actions</i> to manage material <i>sustainability matters</i>.	<p>Amended Editorial</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
75. The undertaking shall disclose any <i>metrics</i> that it uses to evaluate performance and effectiveness, in relation to a material <i>impact, risk or opportunity</i> .	75. 48. (75 and 76 amended) The undertaking shall disclose <u>the any metrics that it uses to evaluate performance and effectiveness, in relation to a required by topical standards, in relation to a material impacts, risks or opportunities</u> as well as metrics defined on an entity-specific basis, in accordance with ESRS 1 General Requirements, paragraph 11. This may include those used by the undertaking to evaluate its performance and to track the effectiveness of its actions to manage its material impacts, risks and opportunities.	Amended Metrics include those standardised in topical standards and those discloses on entity specific bases. Metrics may include those used by the undertaking.
76. <i>Metrics</i> shall include those defined in ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself.	76. Metrics shall include those defined in ESRS, as well as metrics identified on an entity specific basis, whether taken from other sources or developed by the undertaking itself.	Moved Simplified and included in para. 48
77. For each <i>metric</i> , the undertaking shall: (a) disclose the methodologies and significant assumptions behind the metric, including the limitations of the methodologies used;	77. 49. (77 amended) For each <i>metric</i>, the undertaking shall disclose: (a) disclose the methodologies and significant assumptions behind the metric, including the limitations of the methodologies used the metric itself, its unit of measurement, the calculation methodology and the sources (e.g. input parameters) used for the calculation, and where relevant, the estimation methodology, including significant assumptions and limitations;	Amended In addition to what specified below, amendments also reflect the simplification of topical disclosures. Clarified the requirement following the consultation findings.
(b) disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body;	(b) disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body; for value chain metrics, if applicable, the reliance on data from indirect sources or proxies and the planned actions to improve the data	Amended Deleted third party validations because ESRS is already subject to limited assurance, therefore this was deemed redundant

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
	<u>quality in the future if such actions are planned (see ESRS 1 General Requirements, Chapter 5);</u>	
(c) label and define the metric using meaningful, clear and precise names and descriptions;	c) <u>label and define the metric using meaningful, clear and precise names and descriptions; contextual information about the metric; and</u>	Amended Clarified the requirement with a reference to contextual information on metrics
(d) when currency is specified as the unit of measure, use the presentation currency of its financial statements.	(d) <u>when currency is specified as the unit of measure, use the presentation currency of its financial statements. significant changes in the performance compared to the previous reporting periods, including informing about the progress made in achieving the targets set by the undertaking, and in case of major acquisitions or disposals, how the transaction affects the progress.</u>	Amended Point (d) has been moved to ESRS 1 as a general principle. Reference to progress of targets here which enhances ISSB Interoperability (former para. 80(j) of the 2023 Delegated Act)
	<u>APPLICATION REQUIREMENTS FOR GDR-M</u> <u>AR 42 for para. 48 (76 amended) Metrics include those defined in ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself, such as for ESRS S2-S4 topical standards that do not contain metrics.</u>	Amended and moved Clarify the link with topical ESRS and metrics defined on an entity-specific basis. Included a new specific reference to ESRS S2-S4
	<u>AR 43 for para. 49(a)(new) The European system of units of measurement stems from the International System of Units (SI). The units of measurement shall be expressed using the names and symbols set down in Directive 80/181/EEC, as amended by Directive 2009/3/EC. Metrics shall be disclosed using the units specified in the topical standards, which are aligned with this Directive. SI prefixes and their corresponding symbols may be used to designate certain decimal multiples or submultiples where appropriate, in order to present values at the level the undertaking considers most appropriate. For example, instead of reporting 1</u>	New Clarified the flexibility for use of unit of measurements

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	<u>200 000 tCO2e, the undertaking may report 1.2 MtCO2e.</u>	
	<p><u>AR 44 for para. 49(c)(new) Contextual information about a metric may include:</u></p> <p><u>a) the reasons why the undertaking has chosen a particular measurement approach, as well as the reasons for the inputs and assumptions it uses; and</u></p> <p><u>b) for environmental metrics, the specific environmental conditions and characteristics of the area where the impact is occurring that are necessary to understand the metric in question.</u></p>	New Added this AR for ISSB enhancement (point (a)) and to reflect that point b is not a separate datapoint but an aspect of context that is relevant when disclosing environmental metrics
Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	<u>Minimum General-Disclosure Requirement for targets – GDR-T Targets MDR-T – Tracking effectiveness of policies and actions through targets</u>	Amended Change in terminology (see above)
78. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses information about the <i>targets</i> it has set with regard to each material <i>sustainability matter</i> .	78. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses information about the <i>targets</i> it has set with regard to each material <i>sustainability matter</i> .	Deleted To reduce repetitions
79. The objective of this Minimum Disclosure Requirement is to provide for each material sustainability matter an understanding of: (a) whether and how the undertaking tracks the effectiveness of its actions to address material impacts, risks and opportunities, including the metrics it uses to do so; (b) measurable time-bound outcome-oriented targets set by the undertaking to meet the policy's objectives, defined in terms of expected results for people, the environment	<u>79.50</u> The objective of this <u>Minimum Disclosure Requirement GDR</u> is to <u>enable provide for each material sustainability matter</u> an understanding of: (a) whether and how the undertaking sets targets, as defined in terms of expected results for people, the environment or the undertaking, and of how the undertaking tracks the effectiveness of its policies and actions in relation to address its material impacts, risks and opportunities, including the metrics it uses to do so as well as (b) the overall progress and effectiveness towards the adopted targets over time. <u>This includes - where applicable - whether the progress is aligned with related action plan and/or whether any significant facts and circumstances</u>	Amended Streamlined the objective as done across all objectives in ESRS 2

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
<p>or the undertaking regarding material impacts, risks and opportunities;</p> <p>(c) the overall progress towards the adopted targets over time;</p> <p>(d) in the case that the undertaking has not set measurable time-bound outcome-oriented targets, whether and how it nevertheless tracks the effectiveness of its actions to address material impacts, risks and opportunities and measures the progress in achieving its policy objectives; and</p> <p>(e) whether and how stakeholders have been involved in target setting for each material sustainability matter.</p>	<p><u>related to the action plan affect the achievement of the target.</u></p> <p><u>(b) measurable time bound outcome-oriented targets set by the undertaking to meet the policy's objectives, defined in terms of expected results for people, the environment or the undertaking regarding material impacts, risks and opportunities;</u></p> <p><u>(d) in the case that the undertaking has not set measurable time-bound outcome-oriented targets, whether and how it nevertheless tracks the effectiveness of its actions to address material impacts, risks and opportunities and measures the progress in achieving its policy objectives; and</u></p> <p><u>(e) whether and how stakeholders have been involved in target setting for each material sustainability matter.</u></p>	
<p>80. The undertaking shall disclose the measurable, outcome-oriented and time-bound targets on material sustainability matters it has set to assess progress. For each target, the disclosure shall include the following information:</p>	<p>51.(80 amended)</p> <p>The undertaking shall disclose the measurable, <u>time-bound, outcome-oriented and time bound targets on material sustainability matters it has set to assess progress.</u><u>qualitative or quantitative targets it has set related to its material impacts, risks and opportunities.</u> For each target, <u>the disclosure shall include the following information:</u> <u>the undertaking shall disclose:</u></p>	<p>Amended Editorial</p>
<p>(a) a description of the relationship of the target to the policy objectives;</p>	<p>(a) a description of the relationship of the target to <u>its the</u> policy objectives <u>and actions;</u></p>	<p>Amended Connected with actions too in line with the objective</p>
<p>(b) the defined target level to be achieved, including, where applicable, whether the target is absolute or relative and in which unit it is measured;</p>	<p>(b) the defined target <u>value (or level if the target is qualitative)</u> to be achieved, including, <u>where applicable</u> whether the target is absolute or relative <u>if these are defined as such</u> and in which unit it is measured;</p>	<p>Amended Added the reference to qualitative targets, considering the results of the public survey and to enhance interoperability with ISSB standards</p>

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
(c) the scope of the target, including the undertaking's activities and/or its upstream and/or downstream value chain where applicable and geographical boundaries;	(c) the scope of the target, <u>including in terms of the</u> <u>undertaking's activities and/or its</u> <u>within its own</u> <u>operations or</u> <u>its upstream and/or downstream</u> <u>value chain</u> <u>where applicable and, as well as</u> <u>geographical</u> <u>boundaries;</u>	Amended Editorial to clarify the meaning of scope
(d) the baseline value and base year from which progress is measured;	(d) the baseline value <u>(or level when the target is</u> <u>qualitative)</u> <u>and the</u> <u>base year from which progress is</u> <u>measured; if defined by the undertaking;</u>	Amended To cover qualitative targets
(e) the period to which the target applies and if applicable, any milestones or interim targets;	(e) <u>the target year or</u> <u>period to which the target applies</u> <u>and, if applicable, any milestones or interim targets</u> <u>the</u> <u>undertaking has set</u> <u>any milestones or interim targets, a</u> <u>description of those milestones or interim targets;</u>	Amended Editorial
(f) the methodologies and significant assumptions used to define targets,-including where applicable, the selected scenario, data sources, alignment with national, EU or international policy goals and how the targets consider-the wider context of sustainable development and/or local situation in which impacts take place;	(f) the methodologies and significant assumptions used to define targets, <u>including where applicable, whether</u> <u>the target is required by law, and, where applicable,</u> <u>the selected scenarios</u> <u>data sources, alignment with on</u> <u>which it is based, the key data sources and the level of</u> <u>compatibility alignment</u> <u>with national, EU or</u> <u>international policy goals; and how the targets consider</u> <u>the wider context of sustainable development and/or</u> <u>local situation in which impacts take place;</u>	Amended Simplified and streamlined

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
(g) whether the undertaking's targets related to environmental matters are based on conclusive scientific evidence;	(g) whether the undertaking's targets related to environmental topics <ins>matters</ins> are based on conclusive scientific evidence	Amended Moved from environmental ESRS to avoid repetition in different topical standards
(h) whether and how stakeholders have been involved in target setting for each material sustainability matter;	(h) whether and how stakeholders have been involved in target setting for each material sustainability matter;	Deleted Moved to social ESRS as specific to them
(i) any changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined comparability (see Disclosure Requirement BP-2 Disclosures in relation to specific circumstances of this Standard);	(i) any changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined comparability (see Disclosure Requirement BP-2 Disclosures in relation to specific circumstances of this Standard);	Deleted Already covered in ESRS 1 and BP-2
(j) the performance against its disclosed targets, including information on how the target is monitored and reviewed and the metrics used, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target.	(j) the performance against its disclosed targets, including information on how the target is monitored and reviewed and the metrics used, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target.	Deleted Included in para. 49 (d)
81. If the undertaking has not set any measurable outcome-oriented <i>targets</i> : (a) it may disclose whether such targets will be set and the timeframe for setting them, or the reasons why the undertaking does not plan to set such targets;	<u>81-52. (81 amended) If the undertaking has not set any measurable outcome-oriented targets, <u>it shall disclose whether and, if so, how it nevertheless tracks the effectiveness of its policies and actions in relation to its material related impacts, risks and opportunities.</u></u> <u>(a) it may disclose whether such targets will be set and the timeframe for setting them, or the reasons why the undertaking does not plan to set such targets;</u>	Amended Simplified

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
(b) it shall disclose whether it nevertheless tracks the effectiveness of its <i>policies</i> and <i>actions</i> in relation to the material sustainability-related <i>impact, risk and opportunity</i> , and if so:	(b) it shall disclose how whether it nevertheless tracks the effectiveness of its <i>policies</i> and <i>actions</i> in relation to the material sustainability-related <i>impact, risk and opportunity</i>, and if so:	Moved Simplified and merged with par.52
i. any processes through which it does so;	i. any processes through which it does so;	Deleted Deleted in line with the simplification approach
ii. the defined level of ambition to be achieved and any qualitative or quantitative indicators it uses to evaluate progress, including the base period from which progress is measured.	ii. the defined level of ambition to be achieved and any qualitative or quantitative indicators it uses to evaluate progress, including the base period from which progress is measured.	Deleted Deleted in line with the simplification approach
	APPLICATION REQUIREMENTS FOR GDR-T	
	AR 46 for para. 50 <u>Information about progress and effectiveness towards the adopted targets over time is disclosed under GDR-M, paragraph 49(d).</u>	New To reflect that progress of targets is covered in GDR-M
AR 24. When disclosing <i>targets</i> related to the prevention or mitigation of environmental impacts, the undertaking shall prioritise targets related to the reduction of the impacts in absolute terms rather than in relative terms. When targets address the prevention or mitigation of social impacts, they may be specified in terms of the effects on human rights, welfare or positive outcomes for affected <i>stakeholders</i> .	AR 24. When disclosing <i>targets</i> related to the prevention or mitigation of environmental impacts, the undertaking shall prioritise targets related to the reduction of the impacts in absolute terms rather than in relative terms. When targets address the prevention or mitigation of social impacts, they may be specified in terms of the effects on human rights, welfare or positive outcomes for affected <i>stakeholders</i>.	Deleted Following the simplification, this AR has been perceived as overly prescriptive
	AR 47 for para. 51 (new) <u>Outcome-oriented targets regarding material impacts are defined in terms of expected results for people and the environment.</u>	New To clarify better the meaning of outcome-oriented
	AR 48 for para. 51 (g) <u>'Based on conclusive scientific evidence' shall be understood as the use of robust,</u>	New

ESRS as enacted in 2023	Draft Amended ESRS 2	Comment/Rationale
	<p><u>peer-reviewed or otherwise authoritative biophysical information that identifies relevant ecological thresholds or that quantifies conditions, trajectories, and constraints using empirical data, modelling, or recognised scientific frameworks. Such evidence shall enable the undertaking to set ecologically grounded, context-specific and measurable targets.</u></p>	<p>To clarify better the meaning conclusive scientific evidence and the link with ecological thresholds</p>
<p>AR 25. The information on progress made towards achieving the <i>targets</i> may be presented in a comprehensive table, including information on the baseline and target value, milestones, and achieved performance over the prior periods.</p>	<p>AR 25. The information on progress made towards achieving the targets may be presented in a comprehensive table, including information on the baseline and target value, milestones, and achieved performance over the prior periods.</p>	<p>Deleted Following the simplification, this AR has been perceived as overly prescriptive</p>
<p>AR 26. Where the undertaking describes progress in achieving the objectives of a <i>policy</i> in the absence of a measurable target, it may specify a baseline against which the progress is considered. For example, the undertaking may assess an increase of <i>wages</i> by a certain percentage for those below a fair wage; or may assess the quality of its relationships with local communities by reference to the proportion of issues raised by communities that were resolved to their satisfaction. The baseline and the assessment of the progress shall be related to the <i>impacts, risks and opportunities</i> which underpin the <i>materiality</i> of the matter addressed by the policy.</p>	<p>AR 26. Where the undertaking describes progress in achieving the objectives of a policy in the absence of a measurable target, it may specify a baseline against which the progress is considered. For example, the undertaking may assess an increase of wages by a certain percentage for those below a fair wage; or may assess the quality of its relationships with local communities by reference to the proportion of issues raised by communities that were resolved to their satisfaction. The baseline and the assessment of the progress shall be related to the impacts, risks and opportunities which underpin the materiality of the matter addressed by the policy.</p>	<p>Deleted Following the simplification, this AR has been perceived as overly prescriptive</p>



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