



LOG OF AMENDMENTS

ANNEX II

Aggregated acronyms and glossary of terms



DECEMBER 2025



EFRA

Log of Amendments by Standard – ANNEX II

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 and Acronyms and Glossary of Terms (ANNEX II) can be found.
2. This document illustrates the amendments per term and per acronym in the draft amended ANNEX II
3. The starting point is the text of the ESRS as enacted in 2023, with each acronym and term 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 either the term or acronym.
5. The last column includes an explanation of changes made to the terms or acronyms using the following terminology: [AMENDED], [UNCHANGED], [NEW], [MOVED], [AMENDED, MOVED] or [DELETED].
6. Where a defined term has been changed from the plural to singular, where a footnote has been replaced with an in-text reference, or where only minor editorial changes have been made, terms are nevertheless classified as [UNCHANGED].
7. The last column also includes additional explanations and rationale for changes useful to gain an understanding of why text has been amended.

Acronyms		Comment/Rationale
ESRS as enacted in 2023	draft amended ESRS	
AMS Automated Measuring Systems	AMS Automated Measuring Systems	[DELETED]
AQI Air Quality Indices	AQI Air Quality Indices	[DELETED]
AR Application Requirements	AR Application Requirements	[UNCHANGED]
AWS Alliance for Water Stewardship	AWS Alliance for Water Stewardship	[DELETED]
BAT Best Available Technique	BAT Best Available Technique	[DELETED]
BAT-AEL Best Available Technique-Associated Emission Level	BAT-AEL Best Available Technique-Associated Emission Level	[DELETED]
BAT-AEPL Best Available Technique-Associated Environmental Performance Level	BAT-AEPL Best Available Technique-Associated Environmental Performance Level	[DELETED]
	BP-1 <u>Disclosure Requirement – Basis for preparation of the sustainability statements</u>	[NEW]
	BP-2 <u>Disclosure Requirement – Specific information if the undertaking uses phasing-in options</u>	[NEW]

BREFs Best Available Techniques Reference Documents	BREFs Best Available Techniques Reference Documents	[DELETED]
Btu British Thermal Units	Btu British Thermal Units	[DELETED]
CapEx Capital Expenditure	CapEx Capital Expenditure	[UNCHANGED]
CBD Convention for Biological Diversity	CBD Convention for Biological Diversity	[DELETED]
CDDA Common Database on Designated Areas	CDDA Common Database on Designated Areas	[DELETED]
CEN European Committee for Standardization	CEN European Committee for Standardization	[DELETED]
CENELEC European Committee for Electrotechnical Standardization	CENELEC European Committee for Electrotechnical Standardization	[DELETED]
CH4 Methane	CH₄4 Methane	[UNCHANGED]
CICES Common International Classification of Ecosystem Services	CICES Common International Classification of Ecosystem Services	[DELETED]
	CLP <u>Classification, Labelling and Packaging of substances and mixtures</u> <u>(Regulation (EC) No 1272/2008 of the European Parliament and of the Council)</u>	[NEW]
CO2 Carbon Dioxide	CO₂2 Carbon Dioxide	[UNCHANGED]

CRR Regulation (EU) No 575/2013 of the European Parliament and of the Council ¹ (Capital Requirements Regulation)	CRR <u>Capital Requirements Regulation (Regulation (EU) № 575/2013 of the European Parliament and of the Council¹ (Capital Requirements Regulation))</u>	[UNCHANGED]
	CSRD <u>Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464 of the European Parliament and of the Council)</u>	[NEW]
DEGURBA Degree of Urbanisation	DEGURBA <u>Degree of Urbanisation</u>	[DELETED]
DR BP-1 Disclosure Requirement - General basis for preparation of the sustainability statements	DR BP-1 <u>Disclosure Requirement - General basis for preparation of the sustainability statements</u>	[DELETED]
DR BP-2 Disclosure Requirement - Disclosures in relation to specific circumstances	DR BP-2 <u>Disclosure Requirement - Disclosures in relation to specific circumstances</u>	[DELETED]
DR GOV-1 Disclosure Requirement - The role of the administrative, management and supervisory bodies	DR GOV-1 <u>Disclosure Requirement - The role of the administrative, management and supervisory bodies in relation to sustainability</u>	[AMENDED]
DR GOV-2 Disclosure Requirement - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	DR GOV-2 <u>Disclosure Requirement - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies</u>	[DELETED]
DR GOV-3 Disclosure Requirement - Integration of sustainability- related performance in incentive schemes	DR GOV-23 <u>Disclosure Requirement - Integration of sustainability-related performance in incentive schemes</u>	[AMENDED]
DR GOV-4 Disclosure Requirement - Statement on sustainability due diligence	DR GOV-34 <u>Disclosure Requirement - Statement on sustainability due diligence</u>	[AMENDED]

DR GOV-5 Disclosure Requirement - Risk management and internal controls over sustainability reporting	DR GOV-45 Disclosure Requirement - Risk management and internal controls over sustainability reporting	[AMENDED]
DR SBM-1 Disclosure Requirement - Market position, strategy, business model(s) and value chain	DR-SBM-1 Disclosure Requirement – <u>ESRS 2 SBM-1 Market position, Strategy, business model(s) and value chain</u>	[AMENDED]
DR SBM-2 Disclosure Requirement - Interests and views of stakeholders	DR-SBM-2 Disclosure Requirement – <u>ESRS 2 SBM-2 Interests and views of stakeholders</u>	[AMENDED]
DR SBM-3 Disclosure Requirement - Material impacts, risks and opportunities and their interaction with strategy and business model(s)	DR-SBM-3 Disclosure Requirement – <u>ESRS 2 SBM-3 Interaction of material impacts, risks and opportunities and their interaction with strategy and business model(s), and financial effects</u>	[AMENDED]
DR IRO-1 Disclosure Requirement - Description of the processes to identify and assess material impacts, risks and opportunities	DR-IRO-1 Disclosure Requirement – <u>ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities and material information to be reported</u>	[AMENDED]
DR IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	DR-IRO-2 Disclosure Requirements – <u>ESRS 2 IRO-2 Material impacts, risks and opportunities and Disclosure Requirements included in the sustainability statement in ESRS covered by the undertaking's sustainability statements</u>	[AMENDED]
DNSH Do No Significant Harm	DNSH <u>Do No Significant Harm</u>	[DELETED]
DR Disclosure Requirements	DR Disclosure Requirements	[UNCHANGED]
EBA	EBA	[DELETED]

European Banking Authority	<u>European Banking Authority</u>	
EC European Commission	EC European Commission	[UNCHANGED]
EEA European Economic Area	EEA European Economic Area	[UNCHANGED]
EFRAG European Financial Reporting Advisory Group	EFRAG European Financial Reporting Advisory Group	[UNCHANGED]
EFRAG SRB European Financial Reporting Advisory Group Sustainability Reporting Board	EFRAG SRB European Financial Reporting Advisory Group <u>Sustainability Reporting Board</u>	[UNCHANGED]
EIA Environmental Impact Assessment	EIA <u>Environmental Impact Assessment</u>	[DELETED]
EMAS Eco-Management and Audit Scheme	EMAS <u>Eco-Management and Audit Scheme</u>	[DELETED]
EPC Energy Performance Certificate	EPC <u>Energy Performance Certificate</u>	[DELETED]
E-PRTR European Pollutant Release and Transfer Register	E-PRTR European Pollutant Release and Transfer Register <u>(Regulation (EC) No 166/2006 of the European Parliament and of the Council)</u>	[AMENDED] Addition of reference to EU Regulation.
ESA European Supervisory Authorities	ESA <u>European Supervisory Authorities</u>	[DELETED]
	ESG <u>Environmental, Social and Governance</u>	[NEW]
ESMA	ESMA	[DELETED]

European Securities and Markets Authority	European Securities and Markets Authority	
ESRS European Sustainability Reporting Standards	ESRS European Sustainability Reporting Standards	[UNCHANGED]
ESRS 1 European Sustainability Reporting Standard 1 General requirements	ESRS 1 European Sustainability Reporting Standard 1 <i>General Requirements</i>	[UNCHANGED]
ESRS 2 European Sustainability Reporting Standard 2 General disclosures	ESRS 2 European Sustainability Reporting Standard 2 <i>General Disclosures</i>	[UNCHANGED]
ESRS E1 European Sustainability Reporting Standard E1 Climate change	ESRS E1 European Sustainability Reporting Standard E1 <i>Climate Change</i>	[UNCHANGED]
ESRS E2 European Sustainability Reporting Standard E2 Pollution	ESRS E2 European Sustainability Reporting Standard E2 <i>Pollution</i>	[UNCHANGED]
ESRS E3 European Sustainability Reporting Standard E3 Water and marine resources	ESRS E3 European Sustainability Reporting Standard E3 <i>Water and marine resources</i>	[AMENDED] Name of draft amended ESRS E3 changed.
ESRS E4 European Sustainability Reporting Standard E4 Biodiversity and ecosystems	ESRS E4 European Sustainability Reporting Standard E4 <i>Biodiversity and Ecosystems</i>	[UNCHANGED]
ESRS E5 European Sustainability Reporting Standard E5 Resource use and circular economy	ESRS E5 European Sustainability Reporting Standard E5 <i>Resource Use and Circular Economy</i>	[UNCHANGED]
ESRS G1 European Sustainability Reporting Standard G1 Business conduct	ESRS G1 European Sustainability Reporting Standard G1 <i>Business Conduct</i>	[UNCHANGED]
ESRS S1 European Sustainability Reporting Standard S1 Own workforce	ESRS S1 European Sustainability Reporting Standard S1 <i>Own Workforce</i>	[UNCHANGED]

ESRS S2 European Sustainability Reporting Standard S2 Workers in the value chain	ESRS S2 European Sustainability Reporting Standard S2 <i>Workers in the Value Chain</i>	[UNCHANGED]
ESRS S3 European Sustainability Reporting Standard S3 Affected communities	ESRS S3 European Sustainability Reporting Standard S3 <i>Affected Communities</i>	[UNCHANGED]
ESRS S4 European Sustainability Reporting Standard S4 Consumers & end-users	ESRS S4 European Sustainability Reporting Standard S4 <i>Consumers & and End-users</i>	[UNCHANGED]
EU European Union	EU European Union	[UNCHANGED]
EU ETS European Union Emissions Trading System	EU ETS European Union Emissions Trading System (<u>Directive (EU) 2023/959 of the European Parliament and of the Council</u>)	[AMENDED] Addition of reference to EU Regulation.
EWC European Works Council	EWC European Works Council	[DELETED]
FPIC Free, Prior and Informed Consent	FPIC Free, Prior and Informed Consent	[UNCHANGED]
FTE Full-time equivalent	FTE Full-time equivalent	[UNCHANGED]
GAAP Generally Accepted Accounting Principles	GAAP Generally Accepted Accounting Principles	[DELETED]
	GBF <u>The Kunming-Montreal Global Biodiversity Framework</u>	[NEW]

	<u>GDR</u> <u>General Disclosure Requirement</u>	[NEW]
	<u>GDR-A</u> <u>General Disclosure Requirement for actions and resources</u>	[NEW]
	<u>GDR-M</u> <u>General Disclosure Requirement for metrics</u>	[NEW]
	<u>GDR-P</u> <u>General Disclosure Requirement for policies</u>	[NEW]
	<u>GDR-T</u> <u>General Disclosure Requirement for targets</u>	[NEW]
GHG Greenhouse Gas	GHG Greenhouse Gas	[UNCHANGED]
GJ Giga-Joules	GJ Giga-Joules	[DELETED]
GRI Global Reporting Initiative	GRI Global Reporting Initiative	[UNCHANGED]
GWP Global Warming Potential	GWP Global Warming Potential	[UNCHANGED]
HFCs Hydrofluorocarbons	HFCs Hydrofluorocarbons	[UNCHANGED]
IED Directive 2010/75/EU of the European Parliament and of the Council ² (Industrial Emissions Directive)	IED Directive 2010/75/EU of the European Parliament and of the Council² (Industrial Emissions Directive)	[DELETED]

	IEPR <u>Industrial Emissions Portal Regulation (Regulation (EU) 2024/1244 of the European Parliament and of the Council)</u>	[NEW]
IFC International Finance Corporation	IFC International Finance Corporation	[DELETED]
IFRS International Financial Reporting Standards	IFRS International Financial Reporting Standards	[UNCHANGED]
ILO International Labour Organisation	ILO International Labour Organisation	[UNCHANGED]
IPBES Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	IPBES Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	[DELETED]
IPCC Intergovernmental Panel on Climate Change	IPCC Intergovernmental Panel on Climate Change	[DELETED]
ISEAL International Social and Environmental Accreditation and Labelling Alliance	ISEAL International Social and Environmental Accreditation and Labelling Alliance	[DELETED]
ISO International Organization for Standardization	ISO International Organization for Standardization	[UNCHANGED]
ISSB International Sustainability Standards Board	ISSB International Sustainability Standards Board	[DELETED]
ITS Implementing Technical Standards	ITS Implementing Technical Standards	[DELETED]
IUCN	IUCN	[UNCHANGED]

International Union for Conservation of Nature	International Union for Conservation of Nature	
KBA Key Biodiversity Areas	KBA Key Biodiversity Areas	[UNCHANGED]
Kg Kilogram	Kg Kilogram	[DELETED]
Lb Pounds	Lb Pounds	[DELETED]
LEAP Locate Evaluate Assess Prepare	LEAP Locate Evaluate Assess Prepare	[UNCHANGED]
LGBTQI Lesbian, Gay, Bisexual, Transgender, Queer, Intersex	LGBTQI Lesbian, Gay, Bisexual, Transgender, Queer, Intersex	[DELETED]
MDR Minimum Disclosure Requirement	MDR Minimum Disclosure Requirement	[DELETED]
MWh Mega-Watt-hours	MWh Mega-Watt-hours	[UNCHANGED]
N2O Nitrous Oxide	N2₂O Nitrous Oxide	[UNCHANGED]
NACE Statistical Classification of Economic Activities in the European Community	NACE Statistical Classification of Economic Activities in the European Community	[UNCHANGED]
NF3 Nitrogen trifluoride	NF₃ Nitrogen trifluoride	[UNCHANGED]
NGOs	NGOs Non-Governmental Organisations	[UNCHANGED]

Non-Governmental Organisations		
NH3 Ammonia	NH3 Ammonia	[DELETED]
NOX Nitrogen oxides	NOX Nitrogen oxides	[UNCHANGED]
NUTS Nomenclature of Territorial Units of Statistics	NUTS Nomenclature of Territorial Units of Statistics	[DELETED]
O3 Ozone	O3 Ozone	[DELETED]
ODS Ozone-depleting substance	ODS Ozone-depleting substance	[DELETED]
OECD Organisation for Economic Co-operation and Development	OECD Organisation for Economic Co-operation and Development	[UNCHANGED]
OECM One Earth Climate Model	OECM One Earth Climate Model	[DELETED]
OpEx Operating Expenditure	OpEx Operating Expenditure	[UNCHANGED]
PBTS Persistent, bioaccumulative and toxic substances	PBTS Persistent, bioaccumulative and toxic substances	[DELETED]
PCAF Partnership for Carbon Accounting Financial	PCAF Partnership for Carbon Accounting Financial	[DELETED]
PCFs Perfluorocarbons	PCFCs Perfluorocarbons	[AMENDED] Corrected from ESRS as enacted in 2023.

PM Particulate Matter	PM Particulate Matter	[DELETED]
PMTs Persistent, Mobile and Toxic Substances	PMTs Persistent, Mobile and Toxic Substances	[DELETED]
POPs Persistent organic pollutants	POPs Persistent organic pollutants	[DELETED]
REACH Registration, Evaluation, Authorisation and Restriction of Chemicals	REACH Registration, Evaluation, Authorisation and Restriction of Chemicals <u>(Regulation (EC) No 1907/2006 of the European Parliament and of the Council)</u>	[AMENDED] Addition of reference to EU Regulation.
SBTi Science Based Targets Initiative	SBTi Science Based Targets Initiative	[DELETED]
SBTN Science Based Targets Network	SBTN Science Based Targets Network	[DELETED]
SCE Societas Cooperativa Europaea	SCE Societas Cooperativa Europaea	[DELETED]
SDA Sectoral Decarbonisation Approach	SDA Sectoral Decarbonisation Approach	[DELETED]
SDGs Sustainable Development Goals	SDGs Sustainable Development Goals	[UNCHANGED]
SDPI Sustainable Development Performance Indicator	SDPI Sustainable Development Performance Indicator	[DELETED]
SE Societas Europaea	SE Societas Europaea	[DELETED]

SEEA System of Environmental-Economic Accounting	SEEA System of Environmental Economic Accounting	[DELETED]
SEEA EA System of Environmental-Economic Accounting Ecosystem Accounting	SEEA EA System of Environmental Economic Accounting Ecosystem Accounting	[DELETED]
SFDR Regulation (EU) 2019/2088 of the European Parliament and of the Council ³ (Sustainable Finance Disclosures Regulation)	SFDR <u>Sustainable Finance Disclosures Regulation</u> (Regulation (EU) 2019/2088 of the European Parliament and of the Council) ³ (<u>Sustainable Finance Disclosures Regulation</u>)	[UNCHANGED]
	SF₆ <u>Sulphur hexaflouride</u>	[NEW]
	SMEs <u>Small- and medium-sized undertakings</u>	[NEW]
	SoC <u>Substances of concern</u>	[NEW]
SOX Sulphur oxides	SOX Sulphur oxides	[UNCHANGED]
SVHC Substances of Very High Concern	SVHC Substances of Very High Concern	[UNCHANGED]
TCFD Task Force on Climate-Related Financial Disclosures	TCFD Task Force on Climate-Related Financial Disclosures	[DELETED]
TNFD Taskforce on Nature-related Financial Disclosures	TNFD Taskforce on Nature-related Financial Disclosures	[DELETED]
UN	UN	[UNCHANGED]

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

Terms		Comment/Rationale
ESRS as enacted in 2023	draft amended ESRS	
Actions <p>Actions refer to:</p> <ul style="list-style-type: none"> i. actions and action plans (including transition plans) that are undertaken to ensure that the undertaking delivers against targets set and through which the undertaking seeks to address material impacts, risks and opportunities; and ii. decisions to support these with financial, human or technological resources. 	Actions <p>Actions refer to:</p> <p class="list-item-l1">(a) actions and action plans (including transition plans) that are undertaken to ensure that the undertaking delivers against targets set and through which the undertaking seeks to address material impacts, risks and opportunities; and</p> <p class="list-item-l1">(b) decisions to support these with financial, human or technological resources.</p> <p>Actions can be individual actions, taken only by the undertaking, or collective actions, that is, collaborative efforts by a group of stakeholders – such as undertakings, governments, civil society, or communities – to address shared challenges or achieve common goals, particularly when those goals cannot be effectively achieved by any single actor working alone</p>	[AMENDED] <p>Additional specifications were included to clarify the type of actions and explain that they are not limited to the individual actions of the undertaking but include collaboration with other stakeholders to better mirror current practice.</p>
Actor in the value chain <p>Individuals or entities in the upstream or downstream value chain. The actor is considered downstream from the undertaking (e.g., distributors, customers) when it receives products or services from the undertaking; it is considered upstream from the undertaking (e.g., suppliers) when it provides products or services that are used in the production of the undertaking's own products or services.</p>	Actor in the value chain <p>Individuals or entities in the upstream or downstream value chain. The actor is considered downstream from the undertaking (e.g., distributors, customers) when it receives products or services from the undertaking; it is considered upstream from the undertaking (e.g., suppliers) when it provides products or services that are used in the production of the undertaking's own products or services.</p>	[DELETED]
	Actual Impact <p><u>Actual impacts are those impacts that have manifested in the reporting period. They include those that have originated in the previous reporting periods and continue to exist in the current reporting period.</u></p>	[NEW] <p>New definition for actual impacts to reflect amendments related to the guidance for assessing impact materiality.</p>
Adequate wage	Adequate wage	[UNCHANGED]

A wage that provides for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions.	A wage that provides for the satisfaction of the needs of the workers and <u>their his / her families</u> in the light of national economic and social conditions.	
Administrative, management and supervisory bodies The governance bodies with the highest decision-making authority in the undertaking including its committees. If in the governance structure, there are no members of the administrative, management or supervisory bodies of the undertaking, the CEO, and if such function exists, the deputy CEO, should be included. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated. In such cases, both tiers are included under the definition of administrative, management and supervisory bodies .	Administrative, management and supervisory bodies The administrative, management and supervisory bodies refer to the governance bodies with the highest decision-making authority in the undertaking, including its committees. If in the governance structure, there are no members of the administrative, management or supervisory bodies of the undertaking, the CEO, and if such function exists, the deputy CEO, should be included. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated. In such cases, both tiers are included under the definition of administrative, management and supervisory bodies.	[AMENDED] Simplified by retaining a generic definition, to overcome the different definitions or practices found in national jurisdictions.
Affected communities People or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain . Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples .	Affected communities People or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain . Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples .	[UNCHANGED]
Annual total remuneration Annual total remuneration to own workforce includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.	Annual total remuneration Annual total remuneration to own workforce includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.	[UNCHANGED]
Anticipated financial effects Financial effects that do not meet the recognition criteria for inclusion in the financial statement line items in the reporting	Anticipated financial effects	[UNCHANGED]

<p>period and that are not captured by the current financial effects.</p>	<p>Financial effects that do not meet the recognition criteria for inclusion in the financial statement line items in the reporting period and that are not captured by the current financial effects.</p>	
<p>Area at water risk</p> <p>A water catchment, where several physical aspects related to water:</p> <ul style="list-style-type: none"> i. lead to one or more water bodies to be in less than good status and / or deteriorate in status (as defined in Directive 2000/60/EC of the European Parliament and of the Council¹⁴), thus pointing to significant issues as regards water availability, quality, quantity (including high water-stress); and/or ii. lead to issues as regards accessibility of water, regulatory or reputational issues (including the shared use of water with communities and affordability of water) for its facilities and for the facilities of key supplier(s). 	<p>Area at water risk:</p> <p>A water catchment, where several physical aspects related to water:</p> <ul style="list-style-type: none"> i. lead to one or more water bodies to be in less than good status and / or deteriorate in status (as defined in Directive 2000/60/EC of the European Parliament and of the Council¹⁴), thus pointing to significant issues as regards water availability, quality, quantity (including high water stress); and/or ii. lead to issues as regards accessibility of water, regulatory or reputational issues (including the shared use of water with communities and affordability of water) for its facilities and for the facilities of key supplier(s). 	<p>[DELETED]</p> <p>This term was deleted in draft amended ESRS E3 <i>Water</i> due to technical flaws in its definition in Set 1, and in response to methodological challenges in applying the concept raised by stakeholders during public consultation.</p>
<p>Area of high-water stress</p> <p>Regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI). See also water scarcity.</p>	<p>Area of high-water stress</p> <p>Regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI). See also water scarcity. The ability, or lack thereof, to meet the human and ecological demand for water. Water stress is an inclusive concept that considers several physical aspects related to water resources, including water availability, water quality, and the accessibility of water (i.e. whether people are able to make use of physically available water supplies), which is often a function of the sufficiency of infrastructure and the affordability of water, among other things.</p>	<p>[AMENDED]</p> <p>This term was amended in draft amended ESRS E3 <i>Water</i> to focus the Glossary of Terms on conceptual and tool-agnostic definitions, overcoming challenges (in auditing, for example) raised by stakeholders in consultation. The amended definition is aligned with the main water standards and frameworks.</p>
	<p>Article</p> <p>An object, which during production is given a special shape, surface or design that determines its function to a greater degree than does its chemical composition (Regulation (EC) No 1907/2006).</p>	<p>[NEW]</p> <p>Definition includes REACH definition as per requests by stakeholders.</p>

Associated process materials Materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery.	Associated process materials Materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery.	[DELETED]
	Banned product <u>Banned products</u> are goods or materials whose manufacture, sale, distribution, import, export, or use is prohibited by law or regulation due to risks they pose to health, safety, the environment, or public order.	[NEW]
	Banned service <u>Banned services</u> are services that are prohibited by law or regulation from being offered, provided, or used because they are considered unsafe, illegal, unethical, or otherwise contrary to public interest or policy .	[NEW]
Best Available Techniques (BAT) conclusions A document containing the parts of a BAT reference document laying down the conclusions on best available techniques , their description, information to assess their applicability, the emission levels associated with the best available techniques , the environmental performance levels associated with the best available techniques , the minimum content of an environmental management system including benchmarks associated with the best available techniques , associated monitoring, associated consumption levels and, where appropriate, relevant site remediation measures ⁵ .	Best Available Techniques (BAT) conclusions: A document containing the parts of a BAT reference document laying down the conclusions on best available techniques, their description, information to assess their applicability, the emission levels associated with the best available techniques, the environmental performance levels associated with the best available techniques, the minimum content of an environmental management system including benchmarks associated with the best available techniques, associated monitoring, associated consumption levels and, where appropriate, relevant site remediation measures⁵.	[DELETED] Deleted since the corresponding main requirements have been removed.
Best Available Technique-Associated Emission Level (BAT-AEL) The range of emission levels obtained under normal operating conditions using a best available technique or a combination of best available techniques , as described in BAT conclusions , expressed as an average over a given period of time, under specified reference conditions, i.e., the emission level that is associated with a BAT .	Best Available Technique Associated Emission Level (BAT-AEL): The range of emission levels obtained under normal operating conditions using a best available technique or a combination of best available techniques, as described in BAT conclusions, expressed as an average over a given period of time, under specified reference conditions, i.e., the emission level that is associated with a BAT.	[DELETED] Deleted since the corresponding main requirements have been removed.

Best Available Technique-Associated Environmental Performance Level (BAT-AEPL) The range of environmental performance levels, except emission levels, obtained under normal operating conditions using a BAT or a combination of BATs ⁶ .	Best Available Technique Associated Environmental Performance Level (BAT-AEPL) The range of environmental performance levels, except emission levels, obtained under normal operating conditions using a BAT or a combination of BATs⁶.	[DELETED] Deleted since the corresponding main requirements have been removed.
Best Available Techniques (BAT) ⁷ The most effective and advanced stage in the development of activities and their methods of operation which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole: i. ‘techniques’ includes both the technology used and the way in which the installation is designed, built, maintained, operated and decommissioned; ii. ‘available techniques’ means those developed on a scale which allows implementation in the relevant industrial sector, under economically and technically viable conditions, taking into consideration the costs and advantages, whether or not the techniques are used or produced inside the Member State in question, as long as they are reasonably accessible to the operator; and ‘best’ means most effective in achieving a high general level of protection of the environment as a whole.	Best Available Techniques (BAT) ⁷ The most effective and advanced stage in the development of activities and their methods of operation which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole: i. ‘techniques’ includes both the technology used and the way in which the installation is designed, built, maintained, operated and decommissioned; ii. ‘available techniques’ means those developed on a scale which allows implementation in the relevant industrial sector, under economically and technically viable conditions, taking into consideration the costs and advantages, whether or not the techniques are used or produced inside the Member State in question, as long as they are reasonably accessible to the operator; and ‘best’ means most effective in achieving a high general level of protection of the environment as a whole.	[DELETED] Deleted since the corresponding main requirements have been removed.
	Biodiversity and ecosystems transition plan <u>A biodiversity and ecosystems transition plan is an aspect of an organisation’s overall business strategy that lays out the organisation’s goals, targets, actions, accountability mechanisms and intended resources to respond and contribute to the transition implied by the Global Biodiversity Framework, where:</u> (a) biodiversity loss is halted and reversed by 2030; and	[NEW] This term was added to draft amended ESRS E4 <i>Biodiversity and Ecosystems</i> in response to stakeholder requests for clearer guidance. The definition aligns with TNFD’s definition of transition plan and with climate mitigation transition plan from of ESRS E1 <i>Climate Change</i> , as well as clarifies

	<p>(b) <i>biodiversity loss</i> is halted and reversed by 2030; and regulating relations between employers and workers; and/or biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people by 2050.</p> <p>Biodiversity can also be part of an undertaking's broader <i>transition plan</i>. It should respect human rights and, among others, can include the identification and management of synergies and trade-offs with other transition plan objectives, including any response and contribution to the transition implied by the Paris Agreement (<i>transition plan for climate change mitigation</i>). See also the definition of 'transition plan.'</p>	<p>that biodiversity may form part of a broader corporate transition plan.</p>
<p>Biodiversity loss</p> <p>The reduction of any aspect of <i>biological diversity</i> (i.e., diversity at the genetic, species and <i>ecosystem</i> levels) in a particular area through death (including extinction), destruction or physical manual removal; it can refer to many scales, from global extinctions to population extinctions, resulting in decreased total diversity at the same scale.</p>	<p>Biodiversity loss</p> <p>The reduction of any aspect of <i>biological diversity</i> (i.e., diversity at the genetic, species and <i>ecosystem</i> levels) in a particular area through death (including extinction), destruction or physical manual removal; it can refer to many scales, from global extinctions to population extinctions, resulting in decreased total diversity at the same scale.</p>	<p>[UNCHANGED]</p>
	<p>Biodiversity offset</p> <p><i>Biodiversity offsets</i> are measurable conservation outcomes designed to compensate for adverse and unavoidable <i>impacts</i> on <i>biodiversity</i> and <i>ecosystems</i> of the undertaking's activities, in addition to prevention and mitigation measures already implemented. In the context of the mitigation hierarchy (i.e. contributing to avoidance, minimisation, restoration and compensation), biodiversity offsets are typically considered a measure of last resort.</p>	<p>[NEW]</p> <p>This term, adapted from IUCN's definition of biodiversity offsets, was added to respond to stakeholder requests for clearer guidance. The definition clarifies how offsets fit within the mitigation hierarchy.</p>
<p>Biodiversity or biological diversity</p> <p>The variability among living organisms from all sources including terrestrial, marine and other aquatic <i>ecosystems</i> and the ecological complexes of which they are a part. This includes variation in genetic, phenotypic, phylogenetic, and functional attributes, as well as changes in abundance and distribution over time and space within and among species, biological communities and <i>ecosystems</i>.</p>	<p>Biodiversity or biological diversity</p> <p>The variability among living organisms from all sources including, <i>inter alia</i>, terrestrial, marine and other aquatic <i>ecosystems</i> and the ecological complexes of which they are a part. This includes variation in genetic, phenotypic, phylogenetic, and functional attributes, as well as changes in abundance and distribution over time and space <i>diversity</i></p>	<p>[AMENDED]</p> <p>Amended to fully align with the definition of the Convention for Biological Diversity (Article 2).</p>

	within <u>species, between and among species, biological communities and of ecosystems.</u>	
Biodiversity sensitive area Natura 2000 network of protected areas , UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas , as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139 ⁸ .	<p>Biodiversity-sensitive area</p> <p><u>Biodiversity-sensitive areas</u> are:</p> <p class="list-item-l1">(a) <u>areas protected through legal or other effective means, including Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as Ramsar sites and other protected areas, for instance defined by national legislation sources; and as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139⁸.</u></p> <p class="list-item-l1">(b) <u>areas included under Key Biodiversity Areas (KBAs), Ecologically or Biologically Significant Marine Areas, IUCN Red List of Ecosystems or habitats of species listed in the IUCN Red List of Threatened Species (which are scientifically recognised for their importance for biodiversity)</u></p>	<p>[AMENDED]</p> <p>Amended to add relevant references and to differentiate between the group of legally protected areas and the group of areas that may not be protected but are scientifically relevant.</p>
	<p>Biological materials</p> <p><u>Materials that are derived from living organisms, such as plants, animals, or microorganisms, and that can safely return to the biosphere after use without causing harm to the environment. These include both living and dead organic materials, such as trees, crops, grasses, algae, animals, and biological waste like manure. Biological materials can be virgin/non-virgin and renewable/non-renewable. Materials of biological origin, embedded in geological formations or transformed into fossilized material are not considered biological materials (e.g. fossil fuels).</u></p>	<p>[NEW]</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance. Further information was incorporated to improve consistency and alignment with other established frameworks.</p>
Biosphere integrity or ecological integrity The ability of an ecosystem to support and maintain ecological processes and a diverse community of organisms.	<p>Biosphere integrity or ecological integrity</p> <p><u>The ability of an ecosystem to support and maintain ecological processes and a diverse community of organisms.</u></p>	<p>[DELETED]</p> <p>This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i>.</p>
Blue economy	Blue economy	[DELETED]

<p>The blue economy encompasses all industries and sectors related to oceans, seas and coasts, whether they are based in the marine environment (e.g., shipping, fisheries, energy generation) or on land (e.g. ports, shipyards, land-based aquaculture and algae production, coastal tourism).</p>	<p>The blue economy encompasses all industries and sectors related to oceans, seas and coasts, whether they are based in the marine environment (e.g., shipping, fisheries, energy generation) or on land (e.g. ports, shipyards, land-based aquaculture and algae production, coastal tourism).</p>	
<p>BREF or EU Best Available Techniques reference documents: A document resulting from the exchange of information organised pursuant to Article 13 of Directive 2010/75/EU of the European Parliament and of the Council⁹ on industrial emissions, drawn up for defined activities and describing, in particular, applied techniques, present emissions and consumption levels, techniques considered for the determination of best available techniques as well as BAT conclusions and any emerging techniques, giving special consideration to the criteria listed in Annex III of Directive 2010/75/EU.</p>	<p>BREF or EU Best Available Techniques reference documents: A document resulting from the exchange of information organised pursuant to Article 13 of Directive 2010/75/EU of the European Parliament and of the Council⁹ on industrial emissions, drawn up for defined activities and describing, in particular, applied techniques, present emissions and consumption levels, techniques considered for the determination of best available techniques as well as BAT conclusions and any emerging techniques, giving special consideration to the criteria listed in Annex III of Directive 2010/75/EU.</p>	<p>[DELETED] Deleted since the corresponding main requirements have been removed.</p>
<p>Bribery Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.</p>	<p>Bribery Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.</p>	<p>[UNCHANGED]</p>
<p>Business model The undertaking's system of transforming inputs through its activities into outputs and outcomes that aims to fulfil the undertaking's strategic purposes and create value over the short-, medium- and long-term. ESRS use the term 'business model' in the singular, although it is recognised that undertakings may have more than one business model.</p>	<p>Business model The undertaking's system of transforming inputs through its activities into outputs and outcomes that aims to fulfil the undertaking's strategic purposes and create value over the short, medium and long term. ESRS use the term 'business model' in the singular, although it is recognised that undertakings may have more than one business model.</p>	<p>[UNCHANGED]</p>
<p>Business relationships The relationships the undertaking has with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services. Business relationships are not limited to direct contractual relationships. They include indirect business relationships in the undertaking's value chain beyond the first tier, and shareholding positions in joint ventures or investments.</p>	<p>Business relationships The relationships the undertaking has with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services. Business relationships are not limited to direct contractual relationships. They include indirect business relationships in the undertaking's value chain beyond the first tier, and shareholding positions in joint ventures, <u>or associates as well as other</u> or investments.</p>	<p>[AMENDED] Reference to 'associates' was added to the definition.</p>

<p>By-product</p> <p>A substance or object resulting from a production process the primary aim of which is not the production of that substance or object is considered not to be waste, but to be a by-product if the following conditions are met:</p> <ul style="list-style-type: none"> i. further use of the substance or object is certain; ii. the substance or object can be used directly without any further processing other than normal industrial practice; iii. the substance or object is produced as an integral part of a production process; and <p>further use is lawful, i.e., the substance or object fulfils all relevant product, environmental and health protection requirements for the specific use and will not lead to overall adverse environmental or human health impacts.</p>	<p>By-product</p> <p>A substance or object resulting from a production process the primary aim of which is not the production of that substance or object is considered not to be waste, but to be a by-product if the following conditions are met:</p> <ul style="list-style-type: none"> i. further use of the substance or object is certain; ii. the substance or object can be used directly without any further processing other than normal industrial practice; iii. the substance or object is produced as an integral part of a production process; and <p>further use is lawful, i.e., the substance or object fulfils all relevant product, environmental and health protection requirements for the specific use and will not lead to overall adverse environmental or human health impacts.</p>	<p>[DELETED]</p> <p>Deleted since the corresponding main requirements have been removed from draft amended ESRS E5 <i>Resource Use and Circular Economy</i>.</p>
<p>Carbon credit</p> <p>A transferable or tradable instrument that represents one metric tonne of CO2eq emission reduction or removal and is issued and verified according to recognised quality standards.</p>	<p>Carbon credit</p> <p>A transferable or tradable instrument that represents one metric tonne of CO2eq emission reduction or removal and is issued and verified according to recognised quality standards.</p>	<p>[UNCHANGED]</p>
<p>Carbon dioxide (CO2) equivalent (eq)</p> <p>The universal unit of measurement to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases on a common basis.</p>	<p>Carbon dioxide (CO2) equivalent (eq)</p> <p>The universal unit of measurement to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases on a common basis.</p>	<p>[UNCHANGED]</p>
	<p>Channel to raise concerns or needs</p> <p>Channels to raise concerns or needs are formal structures established by the undertaking or a third party (for example, governments, NGOs, industry associations), including its business relationships, with dedicated processes through which affected stakeholders can raise their concerns or needs. Such structures typically include steps or criteria that are followed to ensure that concerns or needs are adequately</p>	<p>[NEW]</p> <p>New definition to reflect changes in draft amended ESRS S1 to ESRS S4.</p>

	<p>addressed. They can also include, if applicable, <u>processes to provide or cooperate in remediation</u> for <u>actual impacts</u>.</p> <p>Examples of channels to raise concerns or needs include <u>grievance mechanisms</u>, hotlines, trade union or community representatives at workplace or local level, works councils, dialogue processes, community or consumer complaints mechanisms as well as whistleblowing mechanisms, to the extent that they enable people to raise any concerns or needs regarding actual or <u>potential impacts</u> that affect them or other stakeholders.</p>	
<p>Child labour</p> <p>Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:</p> <ul style="list-style-type: none"> i. is mentally, physically, socially or morally dangerous and harmful to children; and/or ii. interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. <p>A child is defined as a person under the age of 18. Whether or not particular forms of 'work' can be called 'child labour' depends on the child's age, the type and hours of work performed and the conditions under which it is performed. The answer varies from country to country, as well as among sectors within countries.</p> <p>The minimum age of work should not be less than the minimum age of completion of compulsory schooling, and, in any case, should not be less than 15 years according to International Labour Organisation (ILO) Convention No. 138 on Minimum Age. Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies.</p> <p>These countries of exception are specified by the International Labour Organisation (ILO) in response to a special application</p>	<p>Child Labour</p> <p>Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:</p> <ul style="list-style-type: none"> <u>(a)</u> is mentally, physically, socially or morally dangerous and harmful to children; and/or <u>(b)</u> interferes with their schooling by depriving them of the opportunity to attend school; obliges them to leave school prematurely; or requires them to attempt to combine school attendance with excessively long and heavy work. <p>A child is defined as a person under the age of 18. Whether or not particular forms of 'work' can be called 'child labour' depends on the child's age, the type and hours of work performed and the conditions under which it is performed. The answer varies from country to country, as well as among sectors within countries.</p> <p>The minimum age of work should not be less than the minimum age of completion of compulsory schooling, and, in any case, should not be less than 15 years according to International Labour Organisation (ILO) Convention No. 138 on Minimum Age. Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies.</p>	<p>[UNCHANGED]</p>

<p>by the country concerned and in consultation with representative organisations of employers and workers.</p> <p>National laws may permit the employment of persons 13 to 15 years of age in light work as long as it is not likely to be harmful to their health or development and does not prejudice their attendance at school or participation in vocational or training programmes. The minimum age for admission into work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.</p>	<p>These countries of exception are specified by the International Labour Organisation (ILO) in response to a special application by the country concerned and in consultation with representative organisations of employers and workers.</p> <p>National laws may permit the employment of persons 13 to 15 years of age in light work as long as it is not likely to be harmful to their health or development and does not prejudice their attendance at school or participation in vocational or training programmes. The minimum age for admission into work, which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.</p>	
	<p><u>Circularity</u></p> <p><u>Degree of alignment with the principles of a circular economy.</u></p>	<p>[NEW]</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to improve consistency and alignment with other established frameworks.</p>
<p>Circular economy</p> <p>An economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy.</p>	<p>Circular economy</p> <p>An economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficiently use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy.</p>	<p>[AMENDED]</p> <p>Definition aligned with the new content of draft amended ESRS E5 <i>Resource Use and Circular Economy</i>.</p>
<p>Circular economy principles</p> <p>The European circular economy principles are:</p> <ul style="list-style-type: none"> i. usability; ii. reusability; iii. repairability; iv. disassembly; v. remanufacturing or refurbishment; vi. recycling; 	<p>Circular economy principles</p> <p>The European circular economy principles are:</p> <ul style="list-style-type: none"> i. (a) usability <u>eliminate waste and pollution by designing products and materials that can go back into the economy after their use;</u> ii. (b) reusability <u>circulate products and materials (at their highest value) by maintaining, reusing, and refurbishing them; and;</u> 	<p>[AMENDED]</p> <p>Further information was incorporated to improve consistency and alignment with other established frameworks.</p>

<p>vii. recirculation by the biological cycle;</p> <p>viii. other potential optimisation of product and material use.</p>	<p>iii. <u>(c) repairability</u> regenerate nature by focussing on improving natural environments and restoring key ecological functions;</p> <p>iv. <u>disassembly</u>;</p> <p>v. <u>remanufacturing or refurbishment</u>;</p> <p>vi. <u>recycling</u>;</p> <p>vii. <u>recirculation by the biological cycle</u>;</p> <p>viii. <u>other potential optimisation of product and material use</u>.</p>	
	<p><u>Circular economy service</u></p> <p><u>As per Annex II of the EU Taxonomy (Commission Delegated Regulation (EU) 2023/2486 supplementing Regulation (EU) 2020/852), the following economic services activities (CEY 5.1 – CEY 5.6) are considered to substantially contribute to the transition towards a circular economy:</u></p> <p>(a) <u>maintenance and repair</u>;</p> <p>(b) <u>reuse and redistribution</u>;</p> <p>(c) <u>product-as-a-service</u>;</p> <p>(d) <u>recycling and resource recovery</u>;</p> <p>(e) <u>sustainable design and consultation services</u>.</p>	<p>[NEW]</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to clarify the scope of application of the disclosure requirements.</p>
<p>Circular material use rate</p> <p>Recirculation of materials, components and products in practice after first use employing the following strategies (in order of preference):</p> <p>i. maintenance/prolonged use;</p> <p>ii. <u>reuse/redistribution</u>;</p> <p>iii. refurbishment/remanufacturing;</p> <p>iv. <u>recycling</u>, composting, or anaerobic digestion.</p> <p>The <u>use rate</u> is defined as the ratio of circular use of materials to overall use of materials.</p>	<p><u>Circular material use rate</u></p> <p><u>Recirculation of materials, components and products in practice after first use employing the following strategies (in order of preference):</u></p> <p>i. <u>maintenance/prolonged use</u>;</p> <p>ii. <u>reuse/redistribution</u>;</p> <p>iii. <u>refurbishment/remanufacturing</u>;</p> <p>iv. <u>recycling, composting, or anaerobic digestion</u>.</p> <p><u>The <u>use rate</u> is defined as the ratio of circular use of materials to overall use of materials.</u></p>	<p>[DELETED]</p> <p>This term was proposed as part of the deliberation but then decided (following up on EFRAG SRB comments) to delete it.</p>
<p>Classified information</p>	<p>Classified information</p>	<p>[UNCHANGED]</p>

EU classified information as defined in Council Decision 2013/488/EU ¹⁰ on the security rules for protecting EU classified information or classified by one of the Member States and marked as per Appendix B of that Council decision.	EU classified information as defined in Council Decision 2013/488/EU ¹⁰ on the security rules for protecting EU classified information or classified by one of the Member States and marked as per Appendix B of that Council decision.	
Climate change adaptation The process of adjustment to actual and expected climate change and its <i>impacts</i> .	Climate change adaptation The process of adjustment to actual and expected climate change and its <i>impacts</i> .	[UNCHANGED]
Climate change mitigation The process of reducing GHG emissions and holding the increase in the global average temperature to 1,5 °C above pre-industrial levels, in line with the Paris Agreement.	Climate change mitigation The process of reducing GHG emissions and holding the increase in the global average temperature to 1,5 °C above pre-industrial levels, in line with the Paris Agreement.	[UNCHANGED]
Climate resilience The capacity of an undertaking to adjust to climate changes, and to developments or uncertainties related to climate change. Climate resilience involves the capacity to manage climate-related Scope 1 and benefit from climate-related opportunities , including the ability to respond and adapt to transition risks and physical risks . An undertaking's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments or uncertainties associated with climate change.	Climate resilience The capacity of an undertaking to adjust to climate changes, and to developments or uncertainties related to climate change. Climate resilience involves the capacity to manage climate-related Scope 1 and benefit from climate-related opportunities , including the ability to respond and adapt to transition risks and physical risks . An undertaking's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments or uncertainties associated with climate change.	[AMENDED] Minor editorial change.
Climate-related opportunity Potential positive effects related to climate change for the undertaking. Efforts to mitigate and adapt to climate change can produce opportunities for undertakings. Climate-related opportunities will vary depending on the region, market, and industry where an undertaking operates.	Climate-related opportunity Potential positive effects related to climate change for the undertaking. Efforts to mitigate and adapt to climate change can produce opportunities for undertakings. Climate-related opportunities will vary depending on the region, market, and industry where an undertaking operates.	[UNCHANGED]
Climate-related physical risk (Physical risk from climate change) Risks resulting from climate change that can be event-driven (acute) or from longer-term shifts (chronic) in climate patterns. Acute physical risks arise from particular hazards, especially weather-related events such as storms, floods, fires or heatwaves. Chronic physical risks arise from longer-term	Climate-related physical risk (Physical risk from climate change) Risks resulting from climate change that can be event-driven (acute) or from longer-term shifts (chronic) in climate patterns. Acute physical risks arise from particular hazards, especially weather-related events such as storms, floods, fires or heatwaves. Chronic physical risks arise from longer-term	[UNCHANGED]

changes in the climate, such as temperature changes, and their effects on rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.	changes in the climate, such as temperature changes, and their effects on rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.	
Climate-related transition risk <i>Risks</i> that arise from the transition to a low-carbon and climate-resilient economy. They typically include policy risks , legal risks , technology risks , market risks and reputational risks .	Climate-related transition risk <i>Risks</i> that arise from the transition to a low-carbon and climate-resilient economy. They typically include policy risks , legal risks , technology risks, market risks and reputational risks.	[UNCHANGED]
Collective bargaining All negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other, for: i. determining working conditions and terms of employment; and/or ii. regulating relations between employers and workers; and/or regulating relations between employers or their organisations and a workers' organisation or workers' organisations.	Collective bargaining All negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other, for: (a) determining working conditions and terms of employment; and/or (b) regulating relations between employers and workers; and/or (c) regulating relations between employers or their organisations and a workers' organisation or workers' organisations.	[UNCHANGED]
Confirmed incident (child or forced labour or human trafficking) <i>Incident</i> of child or forced labour or human trafficking that has been found to be substantiated. Confirmed incidents do not include incidents of child or forced labour or human trafficking that are still under investigation in the reporting period.	Confirmed incident (child or forced labour or human trafficking) <i>Incident</i> of child or forced labour or human trafficking that has been found to be substantiated. Confirmed incidents do not include incidents of child or forced labour or human trafficking that are still under investigation in the reporting period.	[DELETED] Incidents related to human rights were consolidated under a new defined term 'human rights incidents'.
Confirmed incident of corruption or bribery An incident of corruption or bribery that has been found to be substantiated. Confirmed incidents of corruption or bribery do not include incidents of corruption or bribery that are still under investigation at the end of the reporting period. The determination of potential non-compliance cases as substantiated may be made either by the undertaking's	Confirmed incident of corruption or bribery <i>An incident of corruption or bribery</i> that has been found to be substantiated. Confirmed incidents of corruption or bribery do not include incidents of corruption or bribery that are still under investigation at the end of the reporting period. The determination of potential non-compliance cases as substantiated may be made either by the undertaking's	[DELETED] Datapoints on confirmed incidents were deleted from draft amended ESRS G1 <i>Business Conduct</i> .

compliance officer or similar function or an authority. A determination as substantiated by a court of law is not required.	compliance officer or similar function or an authority. A determination as substantiated by a court of law is not required.	
Consumer Individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes.	Consumer Individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes.	[UNCHANGED]
Corporate culture Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.	Corporate culture Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.	[UNCHANGED]
Corruption Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.	Corruption Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.	[UNCHANGED]
Credible proxies Individuals with sufficiently deep experience in engaging with affected stakeholders from a particular region or context (for example, women workers on farms, indigenous peoples or migrant workers) who can help to effectively convey their likely concerns. In practice, this can include development and human rights NGOs, international trade unions and local civil society, including faith-based organisations.	Credible proxies Individuals with sufficiently deep experience in engaging with affected stakeholders from a particular region or context (for example, women workers on farms, indigenous peoples or migrant workers) who can help to effectively convey their likely concerns. In practice, this can include development and human rights NGOs, international trade unions and local civil society, including faith-based organisations.	[UNCHANGED]
	Critical raw materials	[NEW]

	<p>Critical raw materials are materials that have high economic importance and are subject to supply risk, due to factors such as geographic concentration, economic or geopolitical limitations, low end-of-life recycling input rates or difficulties in substitution. Critical raw materials are those listed in Annex II, Section 1 in the Critical Raw Materials Acts (2023).</p>	This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to improve consistency and alignment with other established frameworks.
Current financial effects <i>Financial effects</i> for the current reporting period that are recognised in the primary financial statements.	Current financial effects <i>Financial effects</i> for the current reporting period that are recognised in the primary financial statements.	[UNCHANGED]
Decarbonisation levers Aggregated types of mitigation actions such as energy efficiency, electrification, fuel switching, use of renewable energy , products change, and supply-chain decarbonisation that fit with undertakings' specific actions .	Decarbonisation levers Aggregated types of mitigation actions such as energy efficiency, electrification, fuel switching, use of renewable energy, products change, and supply-chain decarbonisation that fit with undertakings' specific actions .	[UNCHANGED]
Deforestation Temporary or permanent human-induced conversion of forested land to non-forested land ¹¹ .	Deforestation Temporary or permanent human induced conversion of forested land to non forested land¹¹.	[DELETED]
Degradation or degraded ecosystem Chronic human impacts resulting in the loss of biodiversity and the disruption of an ecosystems structure, composition, and functionality.	Degradation or degraded ecosystem Chronic human impacts resulting in the loss of biodiversity and the disruption of an ecosystems structure, composition, and functionality.	[DELETED]
Dependencies The situation of an undertaking being dependent on natural, human and/or social resources for its business processes.	Dependencies The situation of an undertaking being dependent on natural, human and/or social resources for its business processes. <i>Dependencies</i> may be sources of risks or opportunities , irrespective of the undertaking's potential impacts on the natural, human and social resources it relies on.	[AMENDED] Additional text included to clarify the role of dependencies as sources of risks and opportunities.
Deposit in water and soil An amount of a substance that has accumulated in the environment, either in water or in soil , and either as a consequence of regular activities or from incidents or from disposals of undertakings, independent of whether that accumulation occurs at the production site of an undertaking or outside.	Deposit in water and soil An amount of a substance that has accumulated in the environment, either in water or in soil, and either as a consequence of regular activities or from incidents or from disposals of undertakings, independent of whether that accumulation occurs at the production site of an undertaking or outside.	[DELETED] Deleted since the corresponding main requirements have been removed.

Desertification <i>Land degradation</i> in arid, semi-arid and dry sub-humid areas resulting from various factors, including climatic variations and human activities. Desertification does not refer to the natural expansion of existing deserts.	Desertification <i>Land degradation</i> in arid, semi-arid and dry sub-humid areas resulting from various factors, including climatic variations and human activities. Desertification does not refer to the natural expansion of existing deserts.	[UNCHANGED]
Discharge <i>Wastewater discharge</i> means the amount of water (in m ³) or <i>substance</i> (in kg BOD/d or comparable) added / leached to a water body from a point or a non-point source. Sewage effluent (or <i>discharge</i>) means treated sewage discharged from a sewage treatment plant.	Discharge <i>Wastewater discharge</i> means the amount of water (in m³) or <i>substance</i> (in kg BOD/d or comparable) added / leached to a water body from a point or a non-point source. Sewage effluent (or <i>discharge</i>) means treated sewage discharged from a sewage treatment plant.	[DELETED] Not used across the draft amended ESRS standards.
	Designed recyclability rate <u>An indicator which measures the share of the <i>resource outflow</i> that is designed and manufactured in such a way that it can be processed into recycled material. The designed recyclability rate can be demonstrated by, for example, the use of materials that are fully recyclable with existing <i>recycling schemes</i>, selection of fewer material types and increased material homogeneity, ability to dismantle the <i>product</i> or the suitability of the product parts and materials for recycling into high quality materials and the implementation of adequate guidelines for design for recycling for the product type.</u> <u>The rate is a reporting indicator on how the product and used materials can be recycled by an existing recycling scheme and that 'use phase' does not significantly change its recyclability (e.g. contamination preventing recycling).</u>	[NEW] This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to improve consistency and alignment with other established frameworks.
Discrimination <i>Discrimination</i> can occur directly or indirectly. Direct <i>discrimination</i> occurs when an individual is treated less favourably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a 'protected ground'. Indirect <i>discrimination</i> occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group	Discrimination <i>Discrimination</i> can occur directly or indirectly. Direct discrimination occurs when an individual is treated less favourably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a 'protected ground'. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group	[UNCHANGED]

is disadvantaged by a decision when compared to a comparator group.	is disadvantaged by a decision when compared to a comparator group.	
Double materiality <i>Double materiality</i> has two dimensions: <i>impact materiality</i> and <i>materiality</i> . A sustainability matter meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.	Double materiality <i>Double materiality</i> has two dimensions: <i>impact materiality</i> and <i>financial materiality</i> . A sustainability matter <i>topic</i> meets the criterion of double materiality if it is material from the <i>impact</i> perspective or the financial perspective or both.	[AMENDED] Consequential amendment due to deletion of the term 'matter'.
Durability of a product, component or material The ability of a product, component or material to remain functional and relevant when used as intended.	Durability of a product, component or material The ability of a <i>product</i> , component or material to remain functional and relevant <u>under specified conditions of use, maintenance and repair, until the technical end of life.</u> <u>Durability</u> often refers to the physical capacity of a product to resist wear, damage, or degradation, but it can also encompass technological durability, for instance, the ability to remain effective through software updates. <u>when used as intended.</u>	[AMENDED] Further information was incorporated to improve consistency and alignment with other established frameworks.
	Eco-design requirement <u>Performance or information requirements aimed at making a product, including processes taking place throughout the product's value chain, more environmentally sustainable. The requirements include:</u> <ul style="list-style-type: none">(a) <u>improving product durability, reusability, upgradability and reparability;</u>(b) <u>enhancing the possibility of product maintenance and refurbishment;</u>(c) <u>making products more energy and resource-efficient;</u>(d) <u>addressing the presence of substances that inhibit circularity;</u>(e) <u>increasing recycled content;</u>(f) <u>making products easier to remanufacture and recycle;</u>(g) <u>setting rules on carbon and environmental footprints;</u>(h) <u>limiting the generation of waste;</u>	[NEW] New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i> . This term was added in response to stakeholder requests for clearer guidance and to improve consistency and alignment with the Eco-design for Sustainable Product Regulation (ESPR).

	<p>(i) <u>improving the availability of information on product sustainability.</u></p> <p><u>The complete list is in Regulation (EU) 2024/1781 of the European Parliament and of the Council.</u></p>	
Ecological threshold The point at which a relatively small change in external conditions causes a rapid change in an ecosystem . When an ecological threshold has been passed, the ecosystem may no longer be able to return to its state by means of its inherent resilience.	Ecological threshold The point at which a relatively small change in external conditions causes a rapid change in an ecosystem . When an ecological threshold has been passed, the ecosystem may no longer be able to return to its <u>previous equilibrium</u> state by means of its inherent resilience.	[UNCHANGED]
Ecosystem extent The size of an ecosystem asset, whereas an ecosystem asset is the contiguous space of a specific ecosystem type characterised by a distinct set of biotic and abiotic components and their interactions.	Extent of terrestrial, freshwater, and marine ecosystem / Ecosystem extent The size of an ecosystem asset, whereas an ecosystem asset is the contiguous space of a specific ecosystem type characterised by a distinct set of biotic and abiotic components and their interactions.	[AMENDED] The term was expanded to cover the extent of terrestrial, freshwater, and marine ecosystems, alongside minor editorial changes.
Ecosystem restoration Any intentional activities that initiate or accelerate the recovery of an ecosystem from a degraded state.	Ecosystem restoration Any intentional activities that initiate or accelerate the recovery of an ecosystem from a degraded state.	[DELETED] This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i> .
Ecosystem services The contributions of ecosystems to the benefits that are used in economic and other human activity, respectively the benefits people obtain from ecosystems . In the Millennium Ecosystem Assessment, ecosystem services can be divided into supporting, regulating, provisioning and cultural. The Common International Classification of Ecosystem Services (CICES) classifies types of ecosystems services.	Ecosystem services The contributions of ecosystems to the benefits that are used in economic and other human activities, especially respectively the benefits people obtain from ecosystems. In the Millennium Ecosystem Assessment, ecosystem services are can be divided into supporting, regulating, provisioning and cultural. The Common International Classification of Ecosystem Services (CICES) also classifies types of ecosystems services.	[UNCHANGED]
Ecosystem(s) A dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit. A typology of ecosystems is provided by the IUCN Global Ecosystem Typology 2.0.	Ecosystem(s) A dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit. A typology of ecosystems is provided by the IUCN Global Ecosystem Typology 2.0.	[UNCHANGED]

Emission The direct or indirect release of substances , vibrations, heat or noise from individual or diffuse sources into air, water or soil ¹² .	Emission The direct or indirect release of substances , vibrations, heat or noise from individual or diffuse sources into air, water or soil ¹² (Directive (EU) 2024/1785).	[UNCHANGED]
Employee An individual who is in an employment relationship with the undertaking according to national law or practice.	Employee An individual who is in an employment relationship with the undertaking according to national law or practice.	[UNCHANGED]
End-users Individuals who ultimately use or are intended to ultimately use a particular product or service.	End-users Individuals who ultimately use or are intended to ultimately use a particular product or service.	[UNCHANGED]
	Environmental accident <u>An unexpected occurrence, such as a major emission, fire, or explosion, resulting from uncontrolled developments during operation, leading to potential or actual negative impacts on health or the environment.</u>	[NEW] The Definition of 'incident' in ESRS as enacted in 2023 did not fit well into the context of draft amended ESRS E2-4. Therefore, this term comes as a replacement to the term 'incidents' in ESRS as enacted in 2023, being focused on a more appropriate definition for the environmental context. This definition was adapted from Directive 2012/18/EU and the European Environment Agency definitions. For what concerns the use of the specific term 'accident', it refers to an unplanned, sudden event that causes harm to people, property, or the environment. An incident, on the other hand, is a broader term that refers to any unplanned event that could lead to harm, disruption, or loss - but does not necessarily result in actual harm. Incidents can include accidents, near-misses, or events with potential (but not realized) consequences. Hence, the objective of the replacement of the term 'incident' with the term 'accident' is to

		capture the events that cause potential or actual negative impacts.
Equal opportunities Equal and non-discriminatory access, among individuals, to opportunities for education, training, employment, career development and the exercise of power without their being disadvantaged on the basis of criteria such as gender, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation.	Equal opportunities Equal and non-discriminatory access, among individuals, to opportunities for education, training, employment, career development and the exercise of power without their being disadvantaged on the basis of criteria such as gender, racial or ethnic origin, nationality, religion or belief, disability, age or sexual orientation.	[DELETED] Term no longer in draft amended ESRS S1-S4 standards.
Equal treatment The principle of <i>equal treatment</i> is a general principle of European law which presupposes that comparable situations or parties in comparable situations are treated in the same way. In the context of ESRS S1, the term ' <i>equal treatment</i> ' also refers to the principle of non-discrimination, according to which there shall be no direct or indirect <i>discrimination</i> based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.	Equal treatment The principle of <i>equal treatment</i> is a general principle of European law which presupposes that comparable situations or parties in comparable situations are treated in the same way. In the context of ESRS S1 <u>own workforce</u> , the term 'equal treatment' also refers to the principle of non-discrimination, according to which there shall be no direct or indirect <i>discrimination</i> based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.	[UNCHANGED]
Financial effects Effects from <i>risks</i> and <i>opportunities</i> that affect the undertaking's financial position, financial performance and cash flows over the short, medium or long term.	Financial effects Effects from <i>risks</i> and <i>opportunities</i> that affect the undertaking's financial position, financial performance and cash flows over the short, medium or long term.	[UNCHANGED]
	<u>Family-related leave</u> <u>Family-related leave</u> includes <u>maternity leave</u> , <u>paternity leave</u> , <u>parental leave</u> , and <u>carers' leave</u> that is available under <u>national law</u> or <u>collective agreements</u> . For the purpose of ESRS, these concepts are defined as: (a) <u>maternity leave</u> (also called <u>pregnancy leave</u>): <u>employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption)</u>	[NEW] Moved from AR to Glossary of Terms.

	<p>(b) <u>paternity leave: leave from work for fathers or, where and in so far as recognised by national law, for equivalent second parents, on the occasion of the birth or adoption of a child for the purposes of providing care;</u></p> <p>(c) <u>parental leave: leave from work for parents on the grounds of the birth or adoption of a child to take care of that child, as defined by each Member State;</u></p> <p>(d) <u>carers' leave from work: leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each Member State.</u></p>	
	<p><u>Financial effect</u></p> <p>Effects from <u>risks</u> and <u>opportunities</u> that affect the undertaking's financial position, financial performance and cash flows over the short, medium or long term.</p>	[NEW]
Financial materiality A sustainability matter is material from a financial perspective if it generates <u>risks</u> or <u>opportunities</u> that affect (or could reasonably be expected to affect) the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term.	<u>Financial materiality</u> A sustainability matter topic is material from a financial perspective if it generates <u>risks</u> or <u>opportunities</u> that affect (or could reasonably be expected to affect) the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term.	[AMENDED] Consequential amendment due to deletion of the term 'matter'.
Forced labour All work or service which is exacted from any person under the threat of penalty and for which the person has not offered himself or herself voluntarily. The term encompasses all situations in which persons are coerced by any means to perform work and includes both traditional 'slave-like' practices and contemporary forms of coercion where labour exploitation is involved, which may include human trafficking and modern slavery.	<u>Forced labour</u> All work or service which is exacted from any person under the threat of penalty and for which the person has not offered himself or herself voluntarily. The term encompasses all situations in which persons are coerced by any means to perform work and includes both traditional 'slave-like' practices and contemporary forms of coercion where labour exploitation is involved, which may include human trafficking and modern slavery.	[UNCHANGED]
	<u>Formulator</u>	[NEW]

	<p>Any natural or legal person combining <i>substances</i> into mixtures, often placing them on the market under their own brand label. This definition applies only to entities operating within the chemical industry.</p>	<p>Requested by stakeholders, SRB and SR TEG to improve understanding of the main draft amended ESRS E2-5 requirement. Incorporates the general wording ('natural or legal person') and definition of 'mixture' from REACH.</p> <p>However, under draft amended ESRS E2-5, formulation is not considered downstream use, unlike in the case of REACH. In draft amended ESRS E2-5, formulation falls within the remit of chemical undertakings.</p> <p>The notion of selling formulations under own brand name was additionally included to reflect the common practice of formulators also acting as brand owners. This latter commercial role does not, however, reflect a requirement in the definition, hence the connotation of 'often'.</p>
<p>Fossil fuel</p> <p>Non-renewable carbon-based energy sources such as solid fuels, natural gas and oil.</p>	<p>Fossil fuel</p> <p>Non-renewable carbon-based energy sources such as solid fuels, natural gas and oil.</p>	<p>[UNCHANGED]</p>
<p>Free, Prior and Informed Consent (FPIC)</p> <p>A manifestation of <i>indigenous peoples</i> right to self-determine their political, social, economic and cultural priorities. It constitutes three interrelated and cumulative rights of <i>indigenous peoples</i>: the right to be consulted; the right to participate; and the right to their lands, territories and resources. <i>FPIC</i> pertains to <i>indigenous peoples</i> and is recognized under international human rights law, notably the United Nations Declaration on the Rights of <i>Indigenous peoples</i> (UNDRIP).</p>	<p>Free, Prior and Informed Consent (FPIC)</p> <p>A manifestation of <i>indigenous peoples</i> right to self-determine their political, social, economic and cultural priorities. It constitutes three interrelated and cumulative rights of indigenous peoples: the right to be consulted; the right to participate; and the right to their lands, territories and resources. <i>FPIC</i> pertains to indigenous peoples and is recognized under international human rights law, notably the United Nations Declaration on the Rights of Indigenous peoples (UNDRIP).</p>	<p>[UNCHANGED]</p>
<p>Freshwater</p> <p>Groundwater and surface water, with a mean annual salinity of < 0,5 ‰ (i.e., the limit mentioned in Annex II of the Water Framework Directive).</p>	<p>Freshwater</p> <p>Groundwater and surface water, with a mean annual salinity of < 0,5 ‰ (i.e., the limit mentioned in Annex II of the Water Framework Directive).</p>	<p>[UNCHANGED]</p>

	Framework Directive (Directive 2000/60/EC of the European Parliament and of the Council).	
	<p><u>General Disclosure Requirement (GDR)</u></p> <p><u>A General Disclosure Requirement</u> sets the required content of the information that the undertaking includes when it reports on <i>policies, actions, metrics or targets</i> as described in ESRS 2 General Disclosures, either pursuant to a Disclosure Requirement in an ESRS or on an entity-specific basis. Its abbreviation is GDR.</p>	[NEW]
GHG emission reduction Decrease in the undertaking's Scope 1, 2, 3 or total GHG emissions at the end of the reporting period, relative to emissions in the base year. Emission reductions may result from, among others, energy efficiency, electrification, suppliers' decarbonisation, electricity mix decarbonisation, sustainable products development or changes in reporting boundaries or activities (e.g., outsourcing, reduced capacities), provided they are achieved within the undertaking's own operations and upstream and downstream value chain . Removals and avoided emissions are not counted as emission reductions .	GHG emission reduction Decrease in the undertaking's Scope 1, 2, 3 or total GHG emissions at the end of the reporting period, relative to emissions in the base year. Emission reductions may result from, among others, energy efficiency, electrification, suppliers' decarbonisation, electricity mix decarbonisation, sustainable products development or changes in reporting boundaries or activities (e.g., outsourcing, reduced capacities), provided they are achieved within the undertaking's own operations and upstream and downstream value chain . Removals and avoided emissions are not counted as emission reductions .	[UNCHANGED]
GHG removal and storage (Anthropogenic) removals refer to the withdrawal of GHGs from the atmosphere as a result of deliberate human activities. These include enhancing biological anthropogenic sinks of CO2 and using chemical engineering to achieve long-term removal and storage. Carbon capture and storage (CCS) from industrial and energy-related sources, which alone does not remove CO2 from the atmosphere, can remove atmospheric CO2 if it is combined with bioenergy production (Bioenergy with Carbon Capture & Storage - BECCS). Removals can be subject to reversals, which are any movement of stored GHG out of the intended storage that re-enters the atmosphere. For example, if a forest that was grown to remove a specific amount of CO2 is subject to a wildfire, the emissions captured in the trees are reversed.	GHG removal and storage (Anthropogenic) removals refer to the withdrawal of GHGs from the atmosphere as a result of deliberate human activities. These include enhancing biological anthropogenic sinks of CO2 and using chemical engineering to achieve long-term removal and storage. Carbon capture and storage (CCS) from industrial and energy-related sources, which alone does not remove CO2 from the atmosphere, can remove atmospheric CO2 if it is combined with bioenergy production (Bioenergy with Carbon Capture & Storage - BECCS). Removals can be subject to reversals, which are any movement of stored GHG out of the intended storage that re-enters the atmosphere. For example, if a forest that was grown to remove a specific amount of CO2 is subject to a wildfire, the emissions captured in the trees are reversed.	[UNCHANGED]

	<p>Geographies</p> <p>Geographies or geographic context can be analysed at different levels, e.g. country, region, county, water basin, ecosystem or a site, on the basis of the level considered relevant for assessment purposes.</p>	<p>[NEW]</p> <p>This term was added to draft amended ESRS E4 <i>Biodiversity and Ecosystems</i> to clarify and consolidate location-specific provisions, distinguishing between the level at which double materiality is assessed and the level of aggregation or disaggregation used for reporting.</p>
	<p>Global Framework Agreement (GFA)</p> <p>Global Framework Agreements (GFA) serve to establish an ongoing relationship between a multinational enterprise and a Global Union Federation to ensure that the undertaking adheres to the same standards in every country in which it operates.</p>	<p>[NEW]</p> <p>Moved from AR to Glossary of Terms.</p>
Global warming potential (GWP)	Global warming potential (GWP)	[UNCHANGED]
A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO ₂ .	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO ₂ .	
Greenhouse Gases (GHG)	Greenhouse Gases (GHG)	[UNCHANGED]
The gases listed in Part 2 of Annex V of Regulation (EU) 2018/1999 of the European Parliament and of the Council ¹³ . These include Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Sulphur hexafluoride (SF ₆), Nitrogen trifluoride (NF ₃), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs).	The gases listed in Part 2 of Annex V of Regulation (EU) 2018/1999 of the European Parliament and of the Council ¹³ . These include Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Sulphur hexafluoride (SF ₆), Nitrogen trifluoride (NF ₃), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs).	
Grievance mechanism	Grievance mechanism	[UNCHANGED]
Any routinized, state-based or non-state-based, judicial or non-judicial processes through which stakeholders can raise grievances and seek remedy . Examples of state-based judicial and non-judicial grievance mechanisms include courts, labour tribunals, national human rights institutions, National Contact Points under the OECD Guidelines for Multinational Enterprises, ombudsperson offices, consumer protection agencies, regulatory oversight bodies, and government-run	Any routinized, state-based or non-state-based, judicial or non-judicial processes through which stakeholders can raise grievances and seek remedy . Examples of state-based judicial and non-judicial grievance mechanisms include courts, labour tribunals, national human rights institutions, National Contact Points under the OECD Guidelines for Multinational Enterprises, ombudsperson offices, consumer protection agencies, regulatory oversight bodies, and government-run	

<p>complaints offices. Non-state-based grievance mechanisms include those administered by the undertaking, either alone or together with stakeholders, such as operational-level grievance mechanisms and collective bargaining, including the mechanisms established by collective bargaining. They also include mechanisms administered by industry associations, international organisations, civil society organisations, or multi-stakeholder groups.</p> <p>Operational-level grievance mechanisms are administered by the organisation either alone or in collaboration with other parties and are directly accessible by the organisation's stakeholders. They allow for grievances to be identified and addressed early and directly, thereby preventing both harm and grievances from escalating. They also provide important feedback on the effectiveness of the organisation's due diligence from those who are directly affected.</p> <p>According to UN Guiding Principle 31, effective grievance mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. In addition to these criteria, effective operational-level grievance mechanisms are also based on engagement and dialogue. It can be more difficult for the organisation to assess the effectiveness of grievance mechanisms that it participates in compared to those it has established itself.</p>	<p>complaints offices. Non-state-based grievance mechanisms include those administered by the undertaking, either alone or together with stakeholders, such as operational-level grievance mechanisms and collective bargaining, including the mechanisms established by collective bargaining. They also include mechanisms administered by industry associations, international organisations, civil society organisations, or multi-stakeholder groups.</p> <p>Operational-level grievance mechanisms are administered by the organisation either alone or in collaboration with other parties and are directly accessible by the organisation's stakeholders. They allow for grievances to be identified and addressed early and directly, thereby preventing both harm and grievances from escalating. They also provide important feedback on the effectiveness of the organisation's due diligence from those who are directly affected.</p> <p>According to UN Guiding Principle 31, effective grievance mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. In addition to these criteria, effective operational-level grievance mechanisms are also based on engagement and dialogue. It can be more difficult for the organisation to assess the effectiveness of grievance mechanisms that it participates in compared to those it has established itself.</p>	
<p>Groundwater</p> <p>All water which is below the surface of the ground in the saturation zone and in direct contact with the ground or subsoil¹⁴.</p>	<p>Groundwater</p> <p>All water which is below the surface of the ground in the saturation zone and in direct contact with the ground or subsoil¹⁴. <u>Also defined as water, which is being held in, and can be recovered from, an underground formation.</u></p>	<p>[AMENDED]</p> <p>The definition was extended to better align with the ones from other water reporting standards.</p>
<p>Habitat</p> <p>The place or type of site where an organism or population naturally occurs. Also used to mean the environmental attributes required by a particular species or its ecological niche.</p>	<p>Habitat</p> <p>The place or type of site where an organism or population naturally occurs. Also used to mean the environmental attributes required by a particular species or its ecological niche.</p>	<p>[DELETED]</p> <p>This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i>.</p>
<p>Habitat fragmentation</p>	<p>Habitat fragmentation</p>	<p>[DELETED]</p>

<p>A general term describing the set of processes by which habitat loss results in the division of continuous habitats into a greater number of smaller patches of lesser total size and isolated from each other by a matrix of dissimilar habitats. Habitat fragmentation may occur through natural processes (e.g., forest and grassland fires, flooding) and through human activities (forestry, agriculture, urbanisation).</p>	<p>A general term describing the set of processes by which habitat loss results in the division of continuous habitats into a greater number of smaller patches of lesser total size and isolated from each other by a matrix of dissimilar habitats. Habitat fragmentation may occur through natural processes (e.g., forest and grassland fires, flooding) and through human activities (forestry, agriculture, urbanisation).</p>	<p>This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i>.</p>
<p>Harassment</p> <p>A situation where an unwanted conduct related to a protected ground of discrimination (for example, gender under Directive 2006/54/EC of the European Parliament and of the Council¹⁵, or religion or belief, disability, age or sexual orientation under Council Directive 2000/78/EC¹⁶) occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment.</p>	<p>Harassment</p> <p>A situation where an unwanted conduct related to a protected ground of discrimination (for example, gender under Directive 2006/54/EC of the European Parliament and of the Council¹⁵, or religion or belief, disability, age or sexual orientation under Council Directive 2000/78/EC¹⁶) occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment.</p>	<p>[UNCHANGED]</p>
<p>Hazardous waste</p> <p>Waste which displays one or more of the hazardous properties listed in Annex III of Directive 2008/98/EC of the European Parliament and of the Council¹⁷ on waste.</p>	<p>Hazardous waste</p> <p>Waste which displays one or more of the hazardous properties listed in Annex III of the <u>Waste Framework Directive 2008/98/EC of the European Parliament and of the Council¹⁷ on waste</u>.</p>	<p>[UNCHANGED]</p>
<p>High climate impact sectors</p> <p>Sectors that are listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council¹⁸ (as defined in Commission Delegated Regulation (EU) 2022/1288¹⁹).</p>	<p>High climate impact sectors</p> <p><u>Sectors that are listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council¹⁸ (as defined in Commission Delegated Regulation (EU) 2022/1288¹⁹).</u></p>	<p>[DELETED]</p>
	<p>Human rights incident</p> <p>Human rights incidents are those that relate to not respecting internationally recognised human rights as defined in CSRD Article 29b(2)(b)(iii). These incidents are understood as the number of substantiated instances of:</p> <p>(a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation, complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or</p>	<p>[NEW]</p> <p>New definition to reflect amendments in draft amended ESRS S1-S4 in relation to incidents to be disclosed.</p>

	<u>(b) incidents registered by the undertaking, including those identified through its internal processes.</u>	
Impacts The effect the undertaking has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain , including through its products and services, as well as through its business relationships . The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.	Impacts The effect the undertaking has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain , including through its products and services, as well as through its business relationships . The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.	[UNCHANGED]
Impact drivers All the factors that cause changes in nature, anthropogenic assets, nature's contributions to people and a good quality of life. Direct drivers of change can be both natural and anthropogenic. They have direct physical (mechanical, chemical, noise, light etc.) and behaviour-affecting impacts on nature. They include, <i>inter alia</i> , climate change, pollution , different types of land use change, invasive alien species and zoonoses, and exploitation. Indirect impact drivers operate diffusely by altering and influencing direct drivers (by affecting their level, direction or rate) as well as other indirect drivers. Interactions between indirect and direct drivers create different chains of relationship, attribution, and impacts , which may vary according to type, intensity, duration, and distance. These relationships can also lead to different types of spill-over effects. Global indirect drivers include economic, demographic, governance, technological and cultural ones. Special attention is given, among indirect drivers, to the role of institutions (both formal and informal) and impacts of the patterns of production, supply and consumption on nature, nature's contributions to people and good quality of life.	Impact drivers of biodiversity and ecosystem change All the factors that, <u>directly or indirectly</u> , cause changes in nature, anthropogenic assets, nature's contributions to people and a good quality of life. Direct drivers of change can be both natural and anthropogenic. They have direct physical (mechanical, chemical, noise, light etc.) and behaviour-affecting impacts on nature. They include, <i>inter alia</i> , climate change, pollution , different types of land use change, invasive alien species and zoonoses, and <u>direct exploitation of organisms</u> . Indirect impact drivers of ecosystem and biodiversity change operate diffusely by altering and influencing direct drivers (by affecting their level, direction or rate) as well as other indirect drivers. <u>They affect the level, direction or rate of direct drivers</u> . Interactions between indirect and direct drivers create different chains of relationship, attribution, and impacts, which may vary according to type, intensity, duration, and distance. These relationships can also lead to different types of spill-over effects. Global indirect drivers include economic, demographic, governance, technological and cultural ones. Special attention is given, among indirect drivers, to the role of institutions (both formal and informal) and impacts of the patterns of production, supply and consumption on nature, nature's contributions to people and good quality of life.	[AMENDED] This term was amended to 'Drivers of biodiversity and ecosystem change' to better align with IPBES more recent language and includes minor editorial changes to the definition.

<p>Impact materiality</p> <p>A sustainability matter is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term. A material sustainability matter from an impact perspective includes impacts connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships.</p>	<p>Impact materiality</p> <p>A sustainability matter topic is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long -term. A material sustainability matter from an impact perspective includes impacts connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships.</p>	<p>[AMENDED]</p> <p>Consequential amendment due to deletion of term 'matters'.</p>
	<p>Importer</p> <p><u>Any natural or legal person who is responsible for import (i.e. physical introduction into the customs territory). The import of substances on their own or in mixtures includes the wholesale distribution of chemical substances, as per NACE code G46.85 (Rev.2.1)</u></p>	<p>[NEW]</p> <p>Incorporated due to requests by stakeholders, adapting from the REACH definitions of 'import' and 'importer'.</p> <p>Wholesale was additionally integrated to align with the NACE terminology used in draft amended ESRS E2-5 AR (with NACE classifying companies by economic activities, unlike REACH). The ESRS definition also incorporate part of the REACH definition of 'distributor' to fully account for the wholesale activities and considering that distribution and commercialisation were part of ESRS as enacted in 2023.</p>
	<p>Impracticable</p> <p><u>Applying a requirement is impractical when an undertaking cannot apply it after making every reasonable effort to do so. For example, data might not have been collected in the preceding period in a way that allows for the retrospective application of a new definition of a metric and it might be impracticable to re-create the data.</u></p>	<p>[NEW]</p>
	<p>Incident of discrimination</p>	<p>[NEW]</p>

	<p>The incidents of discrimination in scope for this disclosure are those that relate to discrimination. These incidents are understood as the number of substantiated instances of:</p> <ul style="list-style-type: none"> (a) <u>judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation, complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or</u> (b) <u>incidents registered by the undertaking, including those it identified through its internal processes.</u> 	<p>New definition to reflect amendment in draft amended ESRS S1-S4 in relation to incidents to be disclosed.</p>
Incident <p>A legal action or complaint registered with the undertaking or competent authorities through a formal process, or an instance of non-compliance identified by the undertaking through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.</p>	Incident <p>A legal action or complaint registered with the undertaking or competent authorities through a formal process, or an instance of non-compliance identified by the undertaking through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.</p>	<p>[DELETED]</p> <p>'Incident' has been deleted and now has different definitions within environmental and social draft amended ESRS.</p>
Incineration <p>The controlled burning of waste at high temperature with or without energy recovery.</p>	Incineration <p>The controlled burning of waste at high temperature with or without energy recovery.</p>	<p>[DELETED]</p>
Independent board member <p>Board members that exercise independent judgment free from any external influence or conflicts of interest. Independence generally means the exercise of objective, unfettered judgement. When used as the measure by which to judge the appearance of independence, or to categorise a non-executive member of the administrative, management and supervisory bodies or their committees as independent, it means the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.</p>	Independent board member <p>Board members that exercise independent judgment free from any external influence or conflicts of interest. Independence generally means the exercise of objective, unfettered judgement. When used as the measure by which to judge the appearance of independence, or to categorise a non-executive member of the administrative, management and supervisory bodies or their committees as independent, it means the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.</p>	<p>[UNCHANGED]</p>
Indigenous peoples	Indigenous peoples	<p>[UNCHANGED]</p>

<p>There is no single definition for indigenous peoples agreed on at the international level. In practice, there is convergence among international agencies on what groups can be considered indigenous peoples and should enjoy special protection as such. An important criteria for defining indigenous people is related to their connection to a traditional area, as defined in ILO Convention No. 169, Article 1, which states that the convention applies to: '(a) tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; (b) peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions'. ILO Convention 169 also states in Article 1(2) that: '[s]elf-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply'.</p>	<p>There is no single definition for indigenous peoples agreed on at the international level. In practice, there is convergence among international agencies on what groups can be considered indigenous peoples and should enjoy special protection as such. An important criteria for defining indigenous people is related to their connection to a traditional area, as defined in ILO Convention No. 169, Article 1, which states that the convention applies to: '(a) tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; (b) peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions'. ILO Convention 169 also states in Article 1(2) that: '[s]elf-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply'.</p>	
<p>Indirect GHG emissions</p> <p>GHG emissions that are a consequence of the activities of an entity but occur at sources owned or controlled by another entity. Indirect emissions are Scope 2 GHG emissions and Scope 3 GHG emissions combined.</p>	<p>Indirect GHG emissions</p> <p>GHG emissions that are a consequence of the activities of an entity but occur at sources owned or controlled by another entity. Indirect emissions are Scope 2 GHG emissions and Scope 3 GHG emissions combined.</p>	<p>[UNCHANGED]</p>
<p>Installation</p> <p>A stationary technical unit within which one or more activities are carried out which could have an effect on emissions and pollution.</p>	<p>Installation</p> <p>A stationary technical unit within which one or more activities are carried out which could have an effect on emissions and pollution.</p>	<p>[DELETED]</p> <p>No longer in the draft amended ESRS E2 Pollution standard.</p>
<p>Internal carbon price</p> <p>Price used by an undertaking to assess the financial implications of changes to investment, production, and consumption patterns, and of potential technological progress and future emissions abatement costs.</p>	<p>Internal carbon price</p> <p>Price used by an undertaking to assess the financial implications of changes to investment, production, and consumption patterns, and of potential technological progress and future emissions abatement costs.</p>	<p>[DELETED]</p> <p>As the term is not referred to in draft amended ESRS E1 Climate Change standard, standalone definition was deleted. The</p>

		term was integrated in 'internal carbon pricing scheme' definition below.
Internal carbon pricing scheme An organisational arrangement that allows an undertaking to apply carbon prices in strategic and operational decision making. There are two types of internal carbon prices commonly used by undertakings. The first type is a shadow price, which is a theoretical cost or notional amount that the undertaking does not charge but that can be used in assessing the economic implications or trade-offs for such things as risk impacts , new investments, net present value of projects, and the cost-benefit of various initiatives. The second type is an internal tax or fee, which is a carbon price charged to a business activity, product line, or other business unit based on its GHG emissions (these internal taxes or fees are similar to intracompany transfer pricing).	Internal carbon pricing scheme An organisational arrangement that allows an undertaking to apply carbon prices in strategic and operational decision making. <u>Internal carbon price is a price used by an undertaking to assess the financial implications of changes to investment, production, and consumption patterns, and of potential technological progress and future emissions abatement costs.</u> There are two types of internal carbon prices commonly used by undertakings. The first type is a shadow price, which is a theoretical cost or notional amount that the undertaking does not charge but that can be used in assessing the economic implications or trade-offs for such things as risk impacts , new investments, net present value of projects, and the cost-benefit of various initiatives. The second type is an internal tax or fee, which is a carbon price charged to a business activity, product line, or other business unit based on its GHG emissions (these internal taxes or fees are similar to intracompany transfer pricing).	[AMENDED] Integration of the 'internal carbon price' term that was not used on a standalone basis in the draft amended ESRS E1 <i>Climate Change</i> standard.
Invasive or alien species Species whose introduction and/or spread by human action outside their natural distribution threatens biological diversity , food security, and human health and well-being. 'Alien' refers to the species' having been introduced outside its natural distribution ('exotic', 'non-native' and 'non-indigenous' are synonyms for 'alien'). 'Invasive' means 'tending to expand into and modify ecosystems to which it has been introduced'. Thus, a species may be alien without being invasive, or, in the case of a species native to a region, it may increase and become invasive, without actually being an alien species.	Invasive species or / invasive alien species Species whose introduction and/or spread by human action outside their natural distribution threatens biological diversity , food security, and human health and well-being. 'Alien' refers to the species' having been introduced outside its natural distribution ('exotic', 'non-native' and 'non-indigenous' are synonyms for 'alien'). 'Invasive' means 'tending to expand into and modify ecosystems to which it has been introduced'. Thus, a species may be alien without being invasive, or, in the case of a species native to a region, it may increase and become invasive, without actually being an alien species.	[AMENDED] Minor editorial changes to the wording of the defined term.
Key Biodiversity Area (KBA) Sites contributing significantly to the global persistence of biodiversity , in terrestrial, freshwater and marine ecosystems . Sites qualify as global KBAs if they meet one or more of 11 criteria, clustered into five categories: threatened biodiversity ; geographically restricted biodiversity ; ecological integrity ;	Key Biodiversity Area (KBA) Sites contributing significantly to the global persistence of biodiversity , in terrestrial, freshwater and marine ecosystems . Sites qualify as global KBAs if they meet one or more of 11 criteria, clustered into five categories: threatened biodiversity; geographically restricted biodiversity ; ecological integrity ;	[UNCHANGED]

biological processes; and, irreplaceability. The World Database of KBAs is managed by BirdLife International on behalf of the KBA Partnership.	biological processes; and, irreplaceability. The World Database of KBAs is managed by BirdLife International on behalf of the KBA Partnership.	
	<p>Key material</p> <p>Materials, substances, components or products which are essential for the undertaking's ability to manufacture or deliver its products or services, identified through a structured managerial assessment which considers:</p> <p class="list-item-l1">(a) <u>internal factors, such as volume, cost, operational criticality, or strategic importance; and</u></p> <p class="list-item-l1">(b) <u>external factors, including environmental and social impacts such as stakeholder expectations, regulatory demands or reputational relevance.</u></p> <p>Examples include, but are not limited to, silicon (materials), electrolytes (substances), micro-capacitors (components) and smartphones (products).</p>	<p>[NEW]</p> <p>New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i>.</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance. It serves to identify resource inflows that fall under the definition of 'key materials' through a managerial process that considers both internal and external factors.</p>
	<p>Key product</p> <p>Products that are central to the undertaking's value creation or strategic objectives, identified through a structured managerial assessment which considers:</p> <p class="list-item-l1">(a) <u>internal factors, such as contribution to revenue, profitability, innovation, or operational continuity; or</u></p> <p class="list-item-l1">(b) <u>external factors, including environmental or social impacts such as stakeholder perceptions, regulatory demands or reputational significance.</u></p>	<p>[NEW]</p> <p>New text in Amended E5 <i>Resource Use and Circular Economy</i>.</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance. It serves to identify resource outflows that fall under the definition of 'key products' through a managerial process that considers both internal and external factors.</p>
Land degradation The many processes that drive the decline or loss in biodiversity , ecosystem functions or their benefits to people and includes the degradation of all terrestrial ecosystems .	Land degradation The many processes that drive the decline or loss in biodiversity , ecosystem functions or their benefits to people and includes the degradation of all terrestrial ecosystems.	[UNCHANGED]
Landfill	Landfill	[UNCHANGED]

A waste disposal site for the deposit of the waste onto or into land ²⁰ .	A waste disposal site for the deposit of the waste onto or into land ²⁰ (see Council Directive 1999/31/EC on the landfill of waste).	
Land-system (change) The terrestrial component of the Earth system, encompassing all processes and activities related to the human use of land. These include socio-economic, technological and organisational inputs and arrangements, as well as the benefits gained from land and the unintended social and ecological outcomes of societal activities. The land-systems concept combines land-use (the activities, arrangements and inputs associated with land-use) with land cover (the ensemble of physical characteristics of land discernible by Earth Observation).	Land-system (change) The terrestrial component of the Earth system, encompassing all processes and activities related to the human use of land. These include socio-economic, technological and organisational inputs and arrangements, as well as the benefits gained from land and the unintended social and ecological outcomes of societal activities. The land systems concept combines land-use (the activities, arrangements and inputs associated with land use) with land cover (the ensemble of physical characteristics of land discernible by Earth Observation).	[DELETED] This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i> .
Land-use (change) The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by, but not synonymous with, land cover. Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.	Land-use (change) The human use of a specific area for a certain purpose (such as residential; agriculture; recreation; industrial, etc.). Influenced by, but not synonymous with, land cover. Land-use change refers to a change in the use or management of land by humans, which may lead to a change in land cover.	[UNCHANGED]
Legitimate representatives Individuals recognised as legitimate under law or practice, such as elected trade union representatives in the case of workers, or other similarly freely chosen representatives of affected stakeholders .	Legitimate representatives Individuals recognised as legitimate under law or practice, such as elected trade union representatives in the case of workers, or other similarly freely chosen representatives of affected stakeholders .	[UNCHANGED]
Leverage The ability of the undertaking to effect a change in the wrongful practices of another party that is connected with a negative sustainability-related impact.	Leverage The ability of the undertaking to effect a change in the wrongful practices of another party that is connected with a negative sustainability-related impact .	[UNCHANGED]
Lobbying activities Activities carried out with the objective of influencing the formulation or implementation of policy or legislation, or the decision-making processes of governments, governmental institutions, regulators, European Union institutions, bodies, offices and agencies or standard setters. Such activities include (non-exhaustive list):	Lobbying activities Activities carried out with the objective of influencing the formulation or implementation of policy or legislation, or the decision-making processes of governments, governmental institutions, regulators, European Union institutions, bodies, offices and agencies or standard setters. Such activities include (non-exhaustive list):	[UNCHANGED]

<ul style="list-style-type: none"> i. organising or participating in meetings, conferences, events; ii. contributing to/participating in public consultations, hearings or other similar initiatives; iii. organising communication campaigns, platforms, networks, grassroots initiatives; iv. preparing/commissioning policy and position papers, opinion polls, surveys, open letters, research work as per the activities covered by transparency register rules. 	<ul style="list-style-type: none"> <u>(a)</u> i. organising or participating in meetings, conferences, events; <u>(b)</u> ii. contributing to/participating in public consultations, hearings or other similar initiatives; <u>(c)</u> iii. organising communication campaigns, platforms, networks, grassroots initiatives; <u>(d)</u> iv. preparing/commissioning policy and position papers, opinion polls, surveys, open letters, research work as per the activities covered by transparency register rules. 	
<p>Locked-in GHG emissions</p> <p>Estimates of future GHG emissions that are likely to be caused by an undertaking's key assets or products sold within their operating lifetime.</p>	<p>Locked-in GHG emissions</p> <p>Estimates of future GHG emissions that are likely to be caused by an undertaking's key assets or products sold within their operating lifetime.</p>	<p>[UNCHANGED]</p>
<p>Longevity</p> <p>Designed for maintenance and durability in such a way that encourages longer use than the industry standard in practice and at scale and in such a way that does not compromise circular treatment at the end of functional life.</p>	<p>Longevity</p> <p>Designed for maintenance and durability in such a way that encourages longer use than the industry standard in practice and at scale and in such a way that does not compromise circular treatment at the end of functional life.</p>	<p>[DELETED]</p>
<p>Marine resources</p> <p>Biological and non-biological resources found in the seas and oceans. Examples include but are not limited to deep sea minerals, gravels, and seafood products.</p>	<p>Marine resources</p> <p>Biological and non-biological resources found in the seas and oceans. Examples include but are not limited to deep sea minerals, gravels, and seafood products.</p>	<p>[UNCHANGED]</p>
	<p>Manufacturer of articles</p> <p><u>Any natural or legal person making or assembling an article (see Regulation (EC) No 1907/2006).</u></p>	<p>[NEW]</p> <p>Included REACH definition of 'producer of an article' as per requests by stakeholders but maintained the term 'manufacturer' for consistency across draft amended ESRS E2 <i>Pollution</i>.</p>
	<p>Manufacturer of substances</p> <p><u>Any natural or legal person manufacturing substances (i.e., producing or extracting substances in the natural state) (see Regulation (EC) No 1907/2006).</u></p>	<p>[NEW]</p> <p>Incorporated due to requests by stakeholders, adapting from the REACH</p>

		definitions of 'manufacturing' and 'manufacturer'.
Material opportunities <i>Sustainability related opportunities</i> with positive <i>financial effects</i> that materially affect, (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.	Material opportunities <i>Sustainability related opportunities</i> with positive <i>financial effects</i> that materially affect, (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.	[DELETED]
Material risks <i>Sustainability related risks</i> with negative <i>financial effects</i> that materially affect (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.	Material risks <i>Sustainability related risks</i> with negative <i>financial effects</i> that materially affect (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.	[DELETED]
Materiality A sustainability matter is material if it meets the definition of <i>impact materiality, financial materiality</i> , or both.	Materiality A sustainability matter <i>topic</i> is material if it meets the definition of <i>impact materiality, financial materiality</i> , or both.	[AMENDED] Consequential amendment due to deletion of the term 'matter'.
Metrics Qualitative and quantitative indicators that the undertaking uses to measure and report on the effectiveness of the delivery of its sustainability-related policies and against its <i>targets</i> over time. <i>Metrics</i> also support the measurement of the undertaking's results in respect of affected people, the environment and the undertaking.	Metrics Qualitative and quantitative indicators that the undertaking uses to measure and report on the effectiveness of the delivery of its sustainability-related <i>polices</i> and against its <i>targets</i> over time. <i>Metrics</i> also support the measurement of the undertaking's results in respect of affected people, the environment and the undertaking.	[UNCHANGED]
Microplastics Small pieces of plastics, usually smaller than 5mm. A growing volume of <i>microplastics</i> is found in the environment, including the sea, and in food and drinking water. Once in the environment, <i>microplastics</i> do not biodegrade and tend to accumulate, unless they are specifically designed to biodegrade in the open environment. Biodegradability is a complex phenomenon, especially in the marine environment. There are increasing concerns about the presence of <i>microplastics</i> in different environment compartments (such as water), their impact on the environment and potentially human health.	Microplastics Small pieces of plastics, usually smaller than 5mm. A growing volume of <i>microplastics</i> is found in the environment, including the sea, and in food and drinking water. Once in the environment, <i>microplastics</i> do not biodegrade and tend to accumulate, unless they are specifically designed to biodegrade in the open environment. Biodegradability is a complex phenomenon, especially in the marine environment. There are increasing concerns about the presence of <i>microplastics</i> in different environment compartments (such as water), their impact on the environment and potentially human health.	[AMENDED] Aligned with the definition of REACH and incorporated additional clarifications for primary and secondary microplastics, as per requests by stakeholders.

Synthetic polymer microparticles that are solid and which fulfil both of the following conditions:

- (a) are contained in particles and constitute at least 1% by weight of those particles; or build a continuous surface coating on particles;
- (b) at least 1% by weight of the particles referred to in point (a) fulfil either of the following conditions:
 - (i) all dimensions of the particles are equal to or less than 5 mm;
 - (ii) the length of the particles is equal to or less than 15 mm and their length to diameter ratio is greater than 3.

The following polymers are excluded from this designation:

- (a) polymers that are the result of a polymerisation process that has taken place in nature, independently of the process through which they have been extracted, which are not chemically modified **substances**;
- (b) polymers that are degradable as proved in accordance with Appendix 15 of Commission Regulation (EU) 2023/2055;
- (c) polymers that have a solubility greater than 2 g/L as proved in accordance with Appendix 16 of Commission Regulation (EU) 2023/2055; and
- (d) polymers that do not contain carbon atoms in their chemical structure.

Please refer to Regulation (EU) 2023/2055 for a list of derogations.

Microplastics are typically categorised into primary and secondary types. Primary microplastics are intentionally produced and added to **products** (e.g. microbeads, glitter or

	<p>stabiliser in cosmetics), resulting in a direct release into the environment during the use phase of the product or at their end-of-life. Secondary microplastics derive from the breakdown of larger pieces of plastics (e.g. plastic waste, such as packaging or fishing nets).</p>	
Minimum Disclosure Requirement	Minimum Disclosure Requirement	[DELETED]
A minimum disclosure requirement sets the required content of the information that the undertaking includes when it reports on policies, actions , metrics or targets , either pursuant to a Disclosure Requirement in an ESRS or on an entity-specific basis.	A minimum disclosure requirement sets the required content of the information that the undertaking includes when it reports on policies, actions , metrics or targets , either pursuant to a Disclosure Requirement in an ESRS or on an entity specific basis	
Natural resources	Natural resources	[DELETED]
Natural assets (raw materials) occurring in nature that can be used for economic production or consumption.	Natural assets (raw materials) occurring in nature that can be used for economic production or consumption.	
Nature-based solutions	Nature-based solutions	[UNCHANGED]
Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater , coastal and marine ecosystems which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services , resilience and biodiversity benefits.	Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater , coastal and marine ecosystems which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services , resilience and biodiversity benefits.	
Net-zero target	Net-zero target	[UNCHANGED]
Setting a net-zero target at the level of an undertaking aligned with meeting societal climate goals means:	Setting a net-zero target at the level of an undertaking aligned with meeting societal climate goals means:	Pursuant to initial feedback, the definition of net-zero target was removed from the standard at the stage of ED. Responses received in the public consultation indicated the necessity of its reinstatement, in line with the Delegated Act.
<ol style="list-style-type: none"> achieving a scale of value chain emissions reductions consistent with the abatement required to reach global net-zero in 1.5°C pathways; and neutralizing the impact of any residual emissions (after approximately 90-95% of GHG emission reduction with the possibility for justified sectoral variations in line with a recognized sectoral pathway) by permanently removing an equivalent volume of CO₂. 	<ol style="list-style-type: none"> achieving a scale of value chain emissions reductions consistent with the abatement required to reach global net-zero in 1.5°C pathways; and neutralizing the impact of any residual emissions (after approximately 90-95% of GHG emission reduction with the possibility for justified sectoral variations in line with a recognized sectoral pathway) by permanently removing an equivalent volume of CO₂. 	
Non-employees	Non-employees	[UNCHANGED]

<p>Non-employees in an undertaking's own workforce include both individual contractors supplying labour to the undertaking ('self-employed people') and people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).</p>	<p>Non-employees in an undertaking's own workforce include both individual contractors supplying labour to the undertaking ('self-employed people') and people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).</p>	
	<p>Non-guaranteed hours employee</p> <p>Non-guaranteed hours employees are employed by the undertaking without a guarantee of a minimum or fixed number of working hours. The employee may need to make themselves available for work as required, but the undertaking is not contractually obliged to offer the employee a minimum or fixed number of working hours per day, week, or month. Casual employees, employees with zero-hour contracts, and on-call employees are examples that fall under this category.</p>	<p>[NEW]</p> <p>Moved from AR to Glossary of Terms, in accordance with consultation feedback that emphasised the usefulness of the definition.</p>
	<p>Occupational safety and health management system</p> <p>A set of interrelated or interacting elements to establish occupational safety and health policy and objectives, and to achieve those objectives.</p>	<p>[NEW]</p> <p>Added for greater clarity of key terms in ESRS S1-13.</p>
<p>Non-renewable energy</p> <p>Energy which cannot be identified as being derived from renewable sources.</p>	<p>Non-renewable energy</p> <p>Energy which cannot be identified as being derived from renewable sources.</p>	<p>[UNCHANGED]</p>
<p>Operational control</p> <p>Operational control (over an entity, site, operation or asset) is the situation where the undertaking has the ability to direct the operational activities and relationships of the entity, site, operation or asset.</p>	<p>Operational control</p> <p>Operational control (over an entity, site, operation or asset) is the situation where the undertaking has the ability to direct the operational activities and relationships of the entity, site, operation or asset.</p>	<p>[DELETED]</p> <p>Removed to ensure consistency with GHG Protocol which is referred to in ESRS E1 <i>Climate Change</i> standard, in context of requirements related to operational control.</p>
<p>Opportunities</p> <p>Sustainability-related opportunities with positive financial effects.</p>	<p>Opportunities</p> <p>Sustainability-related opportunities with positive financial effects arising from environmental, social or governance matters that may positively affect the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term.</p>	<p>[AMENDED]</p>
Overtime	Overtime	[DELETED]

The number of hours actually worked by a worker in excess of his or her contractual hours of work.	<u>The number of hours actually worked by a worker in excess of his or her contractual hours of work.</u>	Term no longer in the standard.
	<p><u>Occupational safety and health management system</u></p> <p><u>A set of interrelated or interacting elements to establish occupational safety and health policy and objectives, and to achieve those objectives.</u></p>	<p>[NEW]</p> <p>The term 'health and safety management system' was already in ESRS S1 as enacted in 2023, but we decided to change it slightly and add a definition of it for the purpose of the 2025 draft amended ESRS. This was part of the work of improving the definitions of terms related to occupational health and safety.</p>
Own workforce/own workers <i>Employees</i> who are in an employment relationship with the undertaking (' <i>employees</i> ') and <i>non-employees</i> who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).	<u>Own workforce/own workers</u> <i>Employees</i> who are in an employment relationship with the undertaking ('employees') and <i>non-employees</i> who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).	<p>[AMENDED]</p> <p>The term 'own workers' was deleted.</p>
Ozone-depleting substances <i>Substances</i> listed in the Montreal Protocol on <i>Substances</i> that Deplete the Ozone Layer.	<u>Ozone-depleting substances</u> <i>Substances</i> listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.	[UNCHANGED]
Packaging Products made of any materials of any nature to be used for the containment, protection, handling, delivery, storage, transport and presentation of goods, from <i>raw materials</i> to processed goods, from the producer to the user or <i>consumer</i> ²¹ .	<u>Packaging</u> <i>Products</i> made of any materials of any nature to be used for the containment, protection, handling, delivery, storage, transport and presentation of goods, from <i>raw materials</i> to processed goods, from the producer to the user or <i>consumer</i> ²¹ (see Directive 94/62/EC of the European Parliament and of the Council on packaging and packaging waste).	<p>[AMENDED]</p>
Pay The ordinary basic or minimum <i>wage</i> or salary and any other remuneration, whether in cash or in kind which the worker receives directly or indirectly ('complementary or variable components'), in respect of his/her employment from his/her employer. ' <i>Pay</i> level' means gross annual pay and the corresponding gross hourly pay. ' <i>Median pay</i> level' means the	<u>Pay</u> The ordinary basic or minimum <i>wage</i> or salary and any other remuneration, whether in cash or in kind which the worker receives directly or indirectly ('complementary or variable components'), in respect of his/her employment from his/her employer. ' <i>Pay</i> level' means gross annual pay and the corresponding gross hourly pay. ' <i>Median pay</i> level' means the	[UNCHANGED]

pay of the employee that would have half of the employees earn more and half less than they do.	pay of the employee that would have half of the employees earn more and half less than they do.	
Persons with disabilities Persons who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.	Persons with disabilities Persons who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.	[UNCHANGED]
Physical risks All global economic enterprise depends on the functioning of earth systems, such as a stable climate and on ecosystem services , such as the provision of biomass (raw materials). Nature-related physical risks are a direct result of an organisation's dependence on nature. Physical risks arise when natural systems are compromised, due to the impact of climatic events (e.g., extremes of weather such as a drought), geologic events (e.g., seismic events such as an earthquake) events or changes in ecosystem equilibria, such as soil quality or marine ecology, which affect the ecosystem services organisations depend on. These can be acute, chronic, or both. Nature-related physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems . Physical risks are usually location-specific. Nature-related physical risks are often associated with climate-related physical risks .	Physical risks All global economic enterprise depends on the functioning of earth systems, such as a stable climate and on ecosystem services , such as the provision of biomass (raw materials). Nature-related physical risks are a direct result of an organisation's dependence on nature. Physical risks arise when natural systems are compromised, due to the impact of climatic events (e.g., extremes of weather such as a drought), geologic events (e.g., seismic events such as an earthquake) events or changes in ecosystem equilibria, such as soil quality or marine ecology, which affect the ecosystem services organisations depend on. These can be acute, chronic, or both. Nature-related physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems. Physical risks are usually location-specific. Nature-related physical risks are often associated with climate-related physical risks .	[NEW]
	Placed on the market <u>Supplying or making available to a third party, whether in return for payment or free of charge Import shall be deemed to be placing on the market (see Regulation (EC) No 1907/2006).</u>	[NEW] Included REACH definition as per requests by stakeholders.
Planetary boundaries This concept allows to estimate a safe operating space for humanity with respect to the functioning of the Earth. The boundary level for each key Earth System process that should not be transgressed if we are to avoid unacceptable global environmental change, is quantified.	Planetary boundaries <u>This concept allows to estimate a safe operating space for humanity with respect to the functioning of the Earth. The boundary level for each key Earth System process that should not be transgressed if we are to avoid unacceptable global environmental change, is quantified.</u>	[DELETED] This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i> .
Policy	Policy	[AMENDED]

<p>A set or framework of general objectives and management principles that the undertaking uses for decision-making. A policy implements the undertaking's strategy or management decisions related to a material sustainability matter. Each policy is under the responsibility of defined person(s), specifies its perimeter of application, and includes one or more objectives (linked when applicable to measurable targets). A policy is validated and reviewed following the undertakings' applicable governance rules. A policy is implemented through actions or action plans.</p>	<p>A set or framework of general objectives and management principles that the undertaking uses for decision-making. A policy implements the undertaking's strategy or management decisions to address related to a material sustainability matter <u>the prevention, mitigation and/or remediation of material actual and potential impacts, address material risks and pursue material opportunities</u>, either individually or at a higher level <u>(i.e. groups of them or related topics)</u>. Each policy is under the responsibility of defined person(s), specifies its perimeter of application, and includes one or more objectives (linked when applicable to measurable targets). A policy is validated and reviewed following the undertakings' applicable governance rules. A policy is implemented through actions or action plans.</p>	
<p>Pollutant</p> <p>A substance, vibration, heat, noise, light or other contaminant present in air, water or soil which may be harmful to human health and/or the environment, which may result in damage to material property, or which may impair or interfere with amenities and other legitimate uses of the environment²².</p>	<p>Pollutant</p> <p>A substance, vibration, heat, noise, light or other contaminant present in air, water or soil which may be harmful to human health and/or the environment, which may result in damage to material property, or which may impair or interfere with amenities and other legitimate uses of the environment²² <u>(see Regulation (EU) 2020/85)</u></p>	<p>[UNCHANGED]</p>
<p>Pollution</p> <p>The direct or indirect introduction, as a result of human activity, of pollutants into air, water or soil which may be harmful to human health and/or the environment, which may result in damage to material property, or which may impair or interfere with amenities and other legitimate uses of the environment²³.</p>	<p>Pollution</p> <p>The direct or indirect introduction, as a result of human activity, of pollutants into air, water or soil which may can be harmful to human health and/or the quality of the environment, which may result in damage to material property, or which may impair or interfere with amenities and other legitimate uses of the environment²³ <u>(see Directive (EU) 2024/1785)</u>.</p>	<p>[UNCHANGED]</p>
<p>Pollution of soil</p> <p>The introduction into soil – independent of whether that introduction occurs at the production site of an undertaking or outside or through the use of the undertaking's products and/or services – as a result of human activity, of substances, vibrations, heat or noise which may be harmful to human health or the environment, result in damage to material property, or impair or interfere with amenities and other legitimate uses of the environment²⁴. Soil pollutants include</p>	<p>Pollution of soil</p> <p>The introduction into soil – independent of whether that introduction occurs at the production site of an undertaking or outside or through the use of the undertaking's products and/or services – as a result of human activity, of substances, vibrations, heat or noise which may be harmful to human health or the environment, result in damage to material property, or impair or interfere with amenities and other legitimate uses of the environment²⁴. Soil pollutants include</p>	<p>[DELETED]</p> <p>No longer a separate definition in the standard.</p>

<i>inorganic pollutants</i> , persistent organic <i>pollutants</i> (POPs), pesticides, nitrogen and phosphorus compounds, etc.	<i>inorganic pollutants</i> , persistent organic <i>pollutants</i> (POPs), pesticides, nitrogen and phosphorus compounds, etc.	
	<p>Potential Impact</p> <p>Potential impacts are those that have not yet occurred but may occur in the future and affect the environment and people.</p>	<p>[NEW]</p> <p>New definition for potential impacts to reflect amendments related to the guidance for assessing impact materiality.</p>
	<p>Process to provide or cooperate in remediation</p> <p>Processes to provide or cooperate in remediation refer to formalised approaches through which the undertaking responds to harms identified, whether they are identified through formal channels for raising concerns or needs or through other means. Such processes typically include steps or criteria that are followed to ensure that concerns or needs are adequately addressed and, if applicable, provision or cooperation in remediation for actual impacts. Processes to provide or cooperate in remediation may be connected to one or more channels through which stakeholders are able raise their concerns or needs.</p>	<p>[NEW]</p> <p>New definition to reflect changes in draft amended ESRS S1-S4 in relation to remediation.</p>
	<p>Product</p> <p>Products are any physical goods that are placed on the market or put into service (Regulation (EU) 2024/1781 of the European Parliament and of the Council establishing a framework for the setting of eco-design requirements for sustainable products).</p>	<p>[NEW]</p> <p>New text in explain what 'key materials' in draft amended ESRS E5 <i>Resource Use and Circular Economy</i> are. This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to clarify the scope of the Standard. It is aligned with the definition provided in Regulation (EU) 2024/1781.</p>
Protected area A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated <i>ecosystem services</i> and cultural values.	Protected area A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long term conservation of nature with associated <i>ecosystem services</i> and cultural values.	[DELETED]
Purchased or acquired electricity, heat, steam, or cooling	Purchased or acquired electricity, heat, steam, or cooling	[UNCHANGED]

When the undertaking has received its electricity, heat, steam, or cooling from a third party. The term 'acquired' reflects circumstances where a company may not directly purchase electricity (e.g., a tenant in a building), but where the energy is brought into the undertaking's facility for use.	When the undertaking has received its electricity, heat, steam, or cooling from a third party. The term 'acquired' reflects circumstances where a company may not directly purchase electricity (e.g., a tenant in a building), but where the energy is brought into the undertaking's facility for use.	
Raw material Primary or secondary material that is used to produce a product.	Raw material Primary or secondary material that is used to produce a product.	[DELETED]
Recognised quality standards for carbon credits Quality standards for carbon credits that are verifiable by independent third parties, make requirements and project reports publicly available and at a minimum ensure additionality, permanence, avoidance of double counting and provide rules for calculation, monitoring, and verification of the project's GHG emissions and removals.	Recognised quality standards for carbon credits Quality standards for carbon credits that are verifiable by independent third parties, make requirements and project reports publicly available and at a minimum ensure additionality, permanence, avoidance of double counting and provide rules for calculation, monitoring, and verification of the project's GHG emissions and removals.	[UNCHANGED]
	Recordable work-related accident <u>A work-related accident is a discrete occurrence in the course of work which leads to physical or mental harm. Such an occurrence is recordable if it results in any of the following:</u> (a) <u>death, more than three days of absence from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or</u> (b) <u>significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, more than three days of absence from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.</u>	[NEW] It was decided to abolish the term 'recordable work-related injury' and only use the term 'recordable work-related accidents'. This change responds to consultation complaints about confusing or overlapping health and safety definitions and aligns the terminology better with EU law. For clarity, it was also decided to introduce a definition of 'recordable work-related accidents' and to define it separately from the already existing definition of 'recordable work-related injury or ill health'.
Recordable work-related injury or ill health Work-related injury or ill health that results in any of the following:	Recordable work-related injury or ill health <u>A case of work-related injury or ill health that results in any of ill health is any illness caused or made worse by workplace factors or caused primarily by exposure at work to a physical, organisational, chemical or biological risk factor or to a</u>	[AMENDED] It was decided to abolish the term 'recordable work-related injury' and only use the term 'recordable work-related accidents'. This change responds to consultation complaints about confusing or

<ul style="list-style-type: none"> i. death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or ii. significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. 	<p><u>combination of these factors. Such a case is recordable if it results in any of the following:</u></p> <ul style="list-style-type: none"> (a) death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or (b) significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, <u>days away</u> <u>absence</u> from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. 	<p>overlapping health and safety definitions and aligns the terminology better with EU law. For clarity, it was also decided to separate 'recordable work-related accidents' from the already existing definition of 'recordable work-related injury or ill health'. The 'recordable work-related ill health' definition uses materials from the European Agency for Safety and Health at Work.</p>
<p>Recovery</p> <p>Any operation the principal result of which is waste serving a useful purpose by replacing other materials which would otherwise have been used to fulfil a particular function, or waste being prepared to fulfil that function, in the plant or in the wider economy²⁵.</p>	<p>Recovery (waste)</p> <p>Any operation <u>of which</u> the principal result <u>of which</u> is waste <u>that can serve</u> <u>ing</u> a useful purpose by replacing other materials which would otherwise have been used to fulfil a particular function, or waste being prepared to fulfil that function, in the plant or in the wider economy²⁵ <u>(see Waste Framework Directive (2008/98/EC))</u>.</p>	<p>[AMENDED]</p> <p>Editorial change whereby '(waste)' was added to the term's definition title. Added direct reference to the Waste Framework Directive.</p>
<p>Recycling</p> <p>Any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations.</p>	<p>Recycling</p> <p>Any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations <u>(see Waste Framework Directive (2008/98/EC))</u>.</p>	<p>[UNCHANGED]</p>
<p>Resource regeneration</p> <p>Promotion of self-renewal capacity of natural systems with the aim of reactivating ecological processes damaged or over-exploited by human action.</p>	<p>Resource regeneration</p> <p>Promotion of self renewal capacity of natural systems with the aim of reactivating ecological processes damaged or over-exploited by human action.</p>	<p>[DELETED]</p>
<p>Remedy/remediation</p> <p>To counteract or make good a negative impact. Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation.</p>	<p>Remedy/remediation</p> <p>To counteract or make good a negative impact. Examples: apologies, financial or non-financial compensation, <u>injunctions</u>, <u>prevention of harm through injunctions</u> or guarantees of non-repetition, punitive sanctions (whether criminal or</p>	<p>[AMENDED]</p> <p>Minor editorial changes.</p>

	administrative, such as fines), restitution, restoration, rehabilitation.	
Renewable energy Energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, <i>landfill</i> gas, sewage treatment plant gas, and biogas ²⁶ .	Renewable energy Energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, <i>landfill</i> gas, sewage treatment plant gas, and biogas ²⁶ <u>(Article 2(1) Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources)</u> .	[AMENDED]
Renewable materials Materials that are derived from resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation.	Renewable (materials) Materials that are derived from resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation. Sustainably sourced materials, most often demonstrated by internationally recognised certification schemes, that, after extraction, return to their previous stock levels by natural growth or replenishment processes at a rate in line with use cycles. Therefore, they are replenished or regrown at a faster rate than harvested or extracted.	[AMENDED] Definition amended to better align with external recognised standards and certifications.
	Repairable <u>Product's ability to be restored to a functional state through the availability of spare parts over its entire possible life span, the simplicity of disassembly, and the accessibility of repair information.</u>	[NEW] New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i> . Definition added to clarify the content of the Standards.
Resource inflows Resource that enters the undertaking's facilities.	Resource inflows Resource that enters the undertaking's facilities. Physical materials (e.g. <i>substances</i> and <i>products</i>) entering an undertaking's operations for production, consumption, maintenance, or service delivery. This includes virgin and non-virgin raw materials (including <i>marine resources</i>, energy carriers used for material purposes), semi-finished goods, and components, regardless of whether they are purchased, reused, or internally recovered. The scope of <i>resource inflows</i>	[AMENDED] This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance about the scope of 'resource inflows'.

	<u>also reflects the undertaking's reliance on natural resources, its resource efficiency and circularity.</u>	
Resource outflows Resource that leaves the undertaking's facilities.	Resource outflows <u>Resource that leaves the undertaking's facilities. Physical materials (e.g. substances and products) that leave an undertaking's operations as a result of its activities, including outputs such as products sold, by-products, waste, emissions, and materials intended for reuse, recycling, or disposal.</u>	[AMENDED] This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance about the scope of 'resource outflows'.
	Resource use <u>Resource use refers to the way physical materials, specifically technical materials and biological materials, are sourced, consumed, transformed, reused, or disposed of by the undertaking across its operations and value chain. It encompasses both:</u> (a) <u>resource inflows: materials entering the undertaking (e.g. materials, substances, components); and</u> (b) <u>resource outflows: materials leaving the undertaking (e.g. products, by-products, waste).</u>	[NEW] New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i> . This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance about the scope of the standard.
Resource use optimisation The design, production and distribution of materials and products with the objective to keep them in use at their highest value. Eco-design and design for longevity , repair, reuse , repurposing, disassembly, remanufacturing are examples of tools to optimise resource use.	Resource use optimisation The design, production and distribution of materials and products with the objective to keep them in use at their highest value. Eco-design and design for longevity, repair, reuse, repurposing, disassembly, remanufacturing are examples of tools to optimise resource use.	[DELETED] Deleted since the corresponding main requirements have been removed.
Reuse Any operation by which products and components that are not waste are used again for the same purpose for which they were conceived. This may involve cleaning or small adjustments so it is ready for the next use without significant modification.	Reuse (waste) Any operation by which products and components that are not waste are used again for the same purpose for which they were conceived. This may involve cleaning or small adjustments, so it is ready for the next use without significant modification pre-processing .	[AMENDED] Editorial change whereby '(waste)' was added to the term's definition title; 'modification' changed to 'pre-processing'.
River basin	River basin	[DELETED]

The area of land from which all surface run-off flows through a sequence of streams, rivers and, possibly, lakes into the sea at a single river mouth, estuary or delta.	The area of land from which all surface run-off flows through a sequence of streams, rivers and, possibly, lakes into the sea at a single river mouth, estuary or delta.	
Risks Sustainability-related risks with negative financial effects arising from environmental, social or governance matters that may negatively affect the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term.	Risks Sustainability-related risks with negative financial effects arising from environmental, social or governance matter factors that may negatively affect the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term.	[AMENDED] Consequential amendment due to deletion of term 'matters' and to align with CSRD that uses the term 'factors'.
Scenario A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g., rate of technological change, prices) and relationships. Note that scenarios are neither predictions nor forecasts but are used to provide a view of the implications of developments and actions .	Scenario A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g., rate of technological change, prices) and relationships. Note that scenarios are neither predictions nor forecasts but are used to provide a view of the implications of developments and actions .	[UNCHANGED]
Scenario analysis A process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty.	Scenario analysis A process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty.	[UNCHANGED]
Scope 1 GHG emissions Direct GHG emissions from sources that are owned or controlled by the undertaking.	Scope 1 GHG emissions Direct GHG emissions from sources that are owned or controlled by the undertaking.	[UNCHANGED]
Scope 2 GHG emissions Indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the undertaking.	Scope 2 GHG emissions Indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the undertaking.	[UNCHANGED]
Scope 3 GHG emissions All indirect GHG emissions (not included in Scope 2 GHG emissions) that occur in the value chain of the reporting undertaking, including both upstream and downstream emissions . Scope 3 GHG emissions can be broken down into Scope 3 categories .	Scope 3 GHG emissions All indirect GHG emissions (not included in Scope 2 GHG emissions) that occur in the value chain of the reporting undertaking, including both upstream and downstream emissions . Scope 3 GHG emissions can be broken down into Scope 3 categories .	[UNCHANGED]
Scope 3 category	Scope 3 category	[UNCHANGED]

<p>One of the 15 types of Scope 3GHG emissions identified by the GHG Protocol Corporate Standard and detailed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (adapted from GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Glossary (Version 2011). Undertakings that choose to account for their Scope 3 emissions based on the indirect GHG emissions categories of ISO 14064-1:2018 may also refer to the category defined in clause 5.2.4 (excluding indirect GHG emissions from imported energy) of ISO 14064-1:2018.</p>	<p>One of the 15 types of Scope 3 GHG emissions identified by the GHG Protocol Corporate Standard and detailed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (adapted from GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Glossary (Version 2011). Undertakings that choose to account for their Scope 3 emissions based on the indirect GHG emissions categories of ISO 14064-1:2018 may also refer to the category defined in Clause 5.2.4 (excluding indirect GHG emissions from imported energy) of ISO 14064-1:2018.</p>	
	<p>Secondary resource</p> <p>Materials previously used (non-virgin: those that are recovered from waste streams or other sources as well as materials found in used products or components) and reintroduced into production cycles, reducing reliance on primary resources and minimising environmental impacts. For example, recycled materials as well as re-used, repaired, refurbished, or remanufactured products or components.</p>	<p>[NEW]</p> <p>New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i>.</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to improve consistency and alignment with other established frameworks.</p>
<p>Sensitive information</p> <p>Sensitive information as defined in Regulation (EU) 2021/697 of the European Parliament and of the Council²⁷ establishing the European Defence Fund.</p>	<p>Sensitive information</p> <p>Sensitive information as defined in Regulation (EU) 2021/697 of the European Parliament and of the Council²⁷ establishing the European Defence Fund.</p>	<p>[UNCHANGED]</p>
<p>Site</p> <p>The location of one or more physical installations. If there is more than one physical installation from the same or different owners or operators and certain infrastructure and facilities are shared, the entire area where the physical installation are located may constitute a site.</p>	<p>Site</p> <p>The location of one or more physical installations. If there is more than one physical installation from the same or different owners or operators and certain infrastructure and facilities are shared, the entire area where the physical installation are located may constitute a site.</p> <p>Sites are physical locations:</p> <p>(a) where an undertaking or value chain actors operate and where dependencies and impacts are likely to occur. Examples include factories, farms, mines, offices or service centres, infrastructure or facilities, or value chain nodes; or</p>	<p>[AMENDED]</p> <p>The definition expanded to clarify the functional and ecological dimensions of a site, explicitly covering both operational locations in own operations and the value chain, and locations characterised by distinct biophysical conditions.</p>

	(b) <u>with a unique combination of soil, climate, topography, hydrology, and other physical and biological factors.</u>	
Social dialogue All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, their organisations and workers' representatives , on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between workers' representatives and management (or trade unions and employers' organisations).	Social dialogue All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, their organisations and workers' representatives , on issues of common interest relating to economic and social policy . It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between workers' representatives and management (or trade unions and employers' organisations).	[UNCHANGED]
Social protection The set of measures designed to reduce and prevent poverty and vulnerability across the life cycle.	Social protection The set of measures designed to reduce and prevent poverty and vulnerability across the life cycle. <u>The major life events addressed in ESRS in relation to social protection include sickness, unemployment starting from when the own worker is working for the undertaking, employment injury and acquired disability and maternity leave.</u>	[AMENDED] Addition to the definition reflects the actual content of Disclosure Requirement S1-10.
Soil The top layer of the Earth's crust situated between the bedrock and the surface. The soil is composed of mineral particles, organic matter, water, air and living organisms ²⁸ .	Soil The top layer of the Earth's crust situated between the bedrock and the surface. The soil is composed of mineral particles, organic matter, water, air and living organisms ²⁸ (see Directive (EU) 2010/75).	[UNCHANGED]
Soil degradation The diminishing capacity of the soil to provide ecosystem goods and services as desired by its stakeholders .	Soil degradation The diminishing capacity of the soil to provide ecosystem goods and services as desired by its stakeholders.	[DELETED] This term was removed from draft amended ESRS E4 <i>Biodiversity and Ecosystems</i> .
Soil sealing Covering soil in a way that makes the covered area impermeable (e.g. a road). This non-permeability can create environmental impacts as described in Commission Regulation (EU) 2018/2026 ²⁹ .	Soil sealing Covering soil in a way that makes the covered area impermeable (e.g. a road). This non-permeability can create environmental impacts as described in Commission Regulation (EU) 2018/2026 ²⁹ .	[UNCHANGED]
Specific loads	Specific loads	[DELETED]

<p>Mass of pollutant released per mass of product manufactured. Specific loads allow for the comparison of the environmental performance of installations irrespective of their different production volumes and are not influenced by mixing or dilution³⁰.</p>	<p>Mass of pollutant released per mass of product manufactured. Specific loads allow for the comparison of the environmental performance of installations irrespective of their different production volumes and are not influenced by mixing or dilution³⁰.</p>	<p>No longer in the draft amended ESRS E2 <i>Pollution</i> standard.</p>
<p>Stakeholder engagement</p> <p>An ongoing process of interaction and dialogue between the undertaking and its stakeholders that enables the undertaking to hear, understand and respond to their interests and concerns.</p>	<p>Stakeholder engagement</p> <p>An ongoing process of interaction and dialogue between the undertaking and its stakeholders that enables the undertaking to hear, understand and respond to their interests and concerns.</p>	<p>[UNCHANGED]</p>
<p>Stakeholders</p> <p>Those who can affect or be affected by the undertaking. There are two main groups of stakeholders:</p> <ul style="list-style-type: none"> i. Affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the undertaking's activities and its direct and indirect business relationships across its value chain; and ii. users of sustainability statements: primary users of general purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users, including the undertaking's business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics. <p>Some, but not all, stakeholders may belong to the two groups.</p>	<p>Stakeholders</p> <p>Those who can affect or be affected by the undertaking. There are two main groups of stakeholders:</p> <ul style="list-style-type: none"> (a) Affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the undertaking's activities and its direct and indirect business relationships across its value chain; and (b) users of sustainability statements: primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users, including the undertaking's business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics. <p>Some, but not all, stakeholders may belong to the two groups.</p>	<p>[UNCHANGED]</p>
	<p>Standard payment terms</p> <p>Standard payment terms refer to terms which have been formulated in advance for several transactions involving different parties and which have not been individually negotiated by the parties. These terms are usually offered/proposed to suppliers. They may stem from an</p>	<p>[NEW]</p> <p>Definition added as clarification has been requested by the public consultation.</p>

	<u>undertaking's policy or procedure, or they may be calculated as an average or mean of terms in contracts with suppliers.</u>	
	<p><u>Stranded asset</u></p> <p><u>Stranded assets</u> (including 'strandable assets') are those assets or investments (both active or firmly planned) which, at some time prior to the end of their economic life, are no longer able to earn an economic return as a result of changes in regulation, market forces, technological innovation, or environmental factors (including climate change and the transition to a low-carbon economy). These typically include assets that have suffered (or are expected to suffer) from unanticipated or premature write-downs, devaluations, or conversion to liabilities; as well as assets with significant <i>locked-in GHG emissions</i> over their operating lifetime. The term '<u>stranded assets</u>' focuses on what has already occurred at the date of the disclosures and might already be reflected in the financial statements (in which case these can be cross-referenced), while the term '<u>strandable assets</u>' refers to a forward-looking assessment that takes into account a given future scenario.</p>	<p>[NEW]</p> <p>Definition added as clarification has been requested by the public consultation.</p>
	<p><u>Strategic raw materials</u></p> <p>A subset of <u>critical raw materials</u> that are essential for green and digital technologies, defence, and space applications (see Annex I, Section 1, Regulation (EU) 2024/1252 of the European Parliament and of the Council).</p>	<p>[NEW]</p> <p>New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i>.</p> <p>This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance and to improve consistency and alignment with the Critical Raw Material Act.</p>
<p>Substances</p> <p>Any chemical element and its compounds, with the exception of the following <u>substances</u>:</p> <p>i. radioactive <u>substances</u> as defined in Article 1 of Council Directive 96/29/Euratom³¹ laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionising radiation;</p>	<p><u>Substances</u></p> <p>Any chemical element and its compounds, <u>in the natural state or obtained by any manufacturing process, including any additive necessary to preserve its stability and any impurity deriving from the process used, but excluding any solvent which may be separated without affecting the stability of the substance or changing its composition and with the exception of the following substances:</u></p>	<p>[AMENDED]</p> <p>Further aligned with the REACH definition, including on the distinction between substances on their own and in mixtures, as per requests by stakeholders.</p>

<ul style="list-style-type: none"> ii. genetically modified micro-organisms as defined in Article 2(b) of Directive 2009/41/EC of the European Parliament and the Council³² on the contained use of genetically modified micro-organisms; iii. genetically modified organisms as defined in point 2 of Article 2 of Directive 2001/18/EC of the European Parliament and of the Council³³ on the deliberate release into the environment of genetically modified organisms³⁴. 	<ul style="list-style-type: none"> (a) radioactive-substances as defined in Article 1 of Council Directive 96/29/Euratom³⁴ laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionising radiation; (b) genetically modified micro-organisms as defined in Article 2(b) of Directive 2009/41/EC of the European Parliament and the Council³² on the contained use of genetically modified micro-organisms; (c) genetically modified organisms as defined in point 2 of Article 2 of Directive 2001/18/EC of the European Parliament and of the Council³³ on the deliberate release into the environment of genetically modified organisms³⁴ (<u>Directive 2010/75/EU</u>). <p><u>Besides substances on their own, there are also substances present in mixtures, which are solutions composed of two or more substances.</u></p>	
<p>Substances of concern</p> <p>A substance that:</p> <ul style="list-style-type: none"> i. meets the criteria laid down in Article 57 and is identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006 of the European Parliament and of the Council³⁵; ii. is classified in Part 3 of Annex VI to Regulation (EC) No 1272/2008 of the European Parliament and of the Council³⁶ in one of the following hazard classes or hazard categories: <ul style="list-style-type: none"> – carcinogenicity categories 1 and 2; – germ cell mutagenicity categories 1 and 2; – reproductive toxicity categories 1 and 2; – endocrine disruption for human health; – endocrine disruption for the environment; 	<p>Substances of concern (SoC)</p> <p>A substance that:</p> <ul style="list-style-type: none"> (a) meets the criteria laid down in Article 57 and is identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006 and is identified in accordance with Article 59(1) of that Regulation the European Parliament and of the Council³⁵; (b) is classified in Part 3 of Annex VI to Regulation (EC) No 1272/2008 of the European Parliament and of the Council³⁶ in one of the following hazard classes or hazard categories: <ul style="list-style-type: none"> i. carcinogenicity categories 1 and 2 ; ii. germ cell mutagenicity categories 1 and 2; iii. reproductive toxicity categories 1 and 2; iv. endocrine disruption for human health <u>categories 1 and 2</u>; 	<p>[AMENDED]</p> <p>Removed reference to ESPR due to evolving legislation, as per requests by stakeholders.</p>

<ul style="list-style-type: none"> – Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties; – Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties; – respiratory sensitisation category 1 ; – skin sensitisation category 1; – chronic hazard to the aquatic environment categories 1 to 4; – hazardous to the ozone layer; – specific target organ toxicity, repeated exposure categories 1 and 2; – specific target organ toxicity, single exposure categories 1 and 2; or <p>iv. negatively affects the re-use and recycling of materials in the product in which it is present, as defined in relevant Union product-specific ecodesign requirements.</p>	<ul style="list-style-type: none"> v. endocrine disruption for the environment <u>categories 1 and 2</u>; vi. Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties; vii. Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties; viii. respiratory sensitisation category 1; ix. skin sensitisation category 1; x. chronic hazard to the aquatic environment – categories 1 to 4; xi. hazardous to the ozone layer; xii. specific target organ toxicity, – repeated exposure categories 1 and 2; xiii. specific target organ toxicity, – single exposure categories 1 and 2, or <p>negatively affects the re-use and recycling of materials in the product in which it is present, as defined in relevant Union product specific ecodesign requirements.</p>	
<p>Substances of very high concern (SVHCs)</p> <p>Substances that meet the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 (REACH) and were identified in accordance with Article 59(1) of that Regulation.</p>	<p>Substances of very high concern (SVHCs)</p> <p>Substances that meet the criteria laid down in Article 57 of Regulation (EC) No 1907/2006 (REACH) and were identified in accordance with Article 59(1) of that Regulation.</p>	<p>[UNCHANGED]</p>
<p>Supplier</p> <p>Entity upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. A supplier can have a direct business relationship with the organisation (often referred to as a first-tier supplier) or an indirect business relationship.</p>	<p>Supplier</p> <p>Entity upstream from the <u>organisation undertaking</u> (i.e., in the <u>organisation undertaking's supply chain</u>), which provides a product or service that is used in the development of the organisation's own products or services. A supplier can have a direct business relationship with the <u>organisation undertaking</u> (often referred to as a first-tier supplier) or an indirect business relationship.</p>	<p>[UNCHANGED]</p>
<p>Supply chain</p>	<p>Supply chain</p>	<p>[UNCHANGED]</p>

<p>The full range of activities or processes carried out by entities upstream from the undertaking, which provide products or services that are used in the development and production of the undertaking's own products or services. This includes upstream entities with which the undertaking has a direct relationship (often referred to as a first-tier <i>supplier</i>) and entities with which the undertaking has an indirect business relationship.</p>	<p>The full range of activities or processes carried out by entities upstream from the undertaking, which provide products or services that are used in the development and production of the undertaking's own products or services. This includes upstream entities with which the undertaking has a direct relationship (often referred to as a first-tier <i>supplier</i>) and entities with which the undertaking has an indirect business relationship.</p>	
<p>Surface water Inland waters, except groundwater; transitional waters and coastal waters, except in respect of chemical status for which it shall also include territorial waters³⁷.</p>	<p>Surface water Inland waters, except groundwater; transitional waters and coastal waters, except in respect of chemical status for which it shall also include territorial waters³⁷. <u>Also defined as all water on the surface of the earth, including freshwater and other water as distinguished from water from the subsurface (groundwater).</u></p>	<p>[AMENDED] The definition was extended to better align with the ones from other water reporting standards.</p>
<p>Sustainability matters Environmental, social and human rights, and governance factors, including sustainability factors defined in Article 2, point (24), of Regulation (EU) 2019/2088 of the European Parliament and of the Council³⁸.</p>	<p>Sustainability matters Environmental, social and human rights, and governance factors, including sustainability factors defined in Article 2, point (24), of Regulation (EU) 2019/2088 of the European Parliament and of the Council³⁸.</p>	<p>[DELETED]</p>
<p>Sustainability statement The dedicated section of the undertaking's management report where the information about sustainability matters prepared in compliance with Directive 2013/34/EU of the European Parliament and of the Council³⁹ and the ESRS is presented.</p>	<p>Sustainability statement The dedicated section of the undertaking's management report where the information about sustainability <u>mattertopics and sub-topics</u> prepared in <u>compliance accordance</u> with Directive <u>(EU) 2013/34/EU 2022/2464</u> of the European Parliament and of the Council³⁹ and the ESRS is presented.</p>	<p>[AMENDED] Consequential amendment due to deletion of the term 'matter'.</p>
<p>Sustainability-related opportunities Uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material positive effect on the undertaking's business model, or strategy on its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationship partners with regard to sustainability matters. Like any other opportunity, sustainability-related opportunities are measured as a combination of an impact's magnitude and the probability of occurrence.</p>	<p>Sustainability-related opportunityies (or opportunity) Uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material positive effect on the undertaking's business model, or strategy on its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationship partners with regard to sustainability mattertopics. Like any other opportunity, sustainability-related opportunities are measured as a combination of an impact's magnitude and the probability of occurrence.</p>	<p>[AMENDED] Editorial change whereby '(or opportunity)' was added to the term's definition title.</p>

Sustainability-related risks Uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material negative effect on the undertaking's business model or strategy and on its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationships with regard to sustainability matters . Like any other risks , sustainability-related risks are the combination of an impact's magnitude and the probability of occurrence.	Sustainability-related risks (or risk) Uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material negative effect on the undertaking's business model or strategy and on its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationships with regard to sustainability mattertopics . Like any other risks , sustainability-related risks are the combination of an impact's magnitude and the probability of occurrence.	[AMENDED] Editorial change whereby '(or risk)' was added to the term's definition title.
Sustainability-related impacts The effect the undertaking has or could have on the environment and people, including effects on their human rights, as a result of the undertaking's activities or business relationships . The impacts can be actual or potential, negative or positive, short-term, medium or long-term, intended or unintended, and reversible or irreversible. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.	Sustainability-related impacts (or impact) The effect the undertaking has or could have on the environment and people, including effects on their human rights, as a result of the undertaking's activities or connected with its own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships . The impacts can be actual or potential, negative or positive, short term, medium or long term , intended or unintended, and reversible or irreversible. They can arise over the short, medium, or long term. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.	[AMENDED] Editorial change whereby '(or impact)' was added to the term's definition title.
Systemic risks Risks arising from the breakdown of the entire system, rather than the failure of individual parts. They are characterised by modest tipping points combining indirectly to produce large failures with cascading of interactions of physical and transition risks (contagion), as one loss triggers a chain of others, and with systems unable to recover equilibrium after a shock. An example is the loss of a keystone species, such as sea otters, which have a critical role in ecosystem community structure. When sea otters were hunted to near extinction in the 1900s, the coastal ecosystems flipped and biomass production was greatly reduced.	Systemic risks Risks arising from the breakdown of the entire system, rather than the failure of individual parts. They are characterised by modest tipping points combining indirectly to produce large failures with cascading of interactions of physical and transition risks (contagion), as one loss triggers a chain of others, and with systems unable to recover equilibrium after a shock. An example is the loss of a keystone species, such as sea otters, which have a critical role in ecosystem community structure. When sea otters were hunted to near extinction in the 1900s, the coastal ecosystems flipped and biomass production was greatly reduced.	[UNCHANGED]
Targets	Targets	[AMENDED]

<p>Measurable, outcome-oriented and time-bound goals that the undertaking aims to achieve in relation to material impacts, risks or opportunities. They may be set voluntarily by the undertaking or derive from legal requirements on the undertaking.</p>	<p>Measurable, outcome-oriented and time-bound goals that the undertaking aims to achieve in relation to material impacts, risks or opportunities. They may be set voluntarily by the undertaking or derive from legal requirements on the undertaking. A target can encompass not only improvements but also the maintenance of achieved results or the preservation of consistent performance levels.</p>	
	<p>Technical material</p> <p>Materials that cannot be processed by the biological cycle and therefore accumulate as waste because they cannot break down and return to nature as nutrients.</p>	<p>[NEW]</p> <p>New text in draft amended ESRS E5 <i>Resource Use and Circular Economy</i>. This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance.</p>
<p>Threatened species</p> <p>Endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Commission Delegated Regulation (EU) 2021/2139.</p>	<p>Threatened species or ecosystems</p> <p>Threatened species refer to Endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List of Threatened Species, as referred to in Section 7 of Annex II to Commission Delegated Regulation (EU) 2021/2139. Threatened ecosystems refer to the ecosystems categorised as critically endangered, endangered and vulnerable by the IUCN Red List of Ecosystems.</p>	<p>[AMENDED]</p> <p>Updated term with ‘ecosystems’ following stakeholder requests and to align with the expanded IUCN Red List methodologies, which also cover ecosystems in addition to species.</p>
	<p>Topic</p> <p>ESRS use the terms sustainability ‘topic’ and ‘sub-topic’ understood as synonymous with the terms sustainability matters or ‘sustainability factors’. Disclosures in ESRS are structured into topics. A topic is further disaggregated in sub-topics. In ESRS, the term ‘topic’ is used to indicate either a topic or a sub-topic, depending on the most appropriate level of granularity needed to meet the respective disclosure objective.</p>	<p>[NEW]</p>
<p>Training</p> <p>Initiatives put in place by the undertaking aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.</p>	<p>Training</p> <p>Initiatives put in place by the undertaking aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.</p>	<p>[AMENDED]</p>

<p>Transition plan</p> <p>A specific type of action plan that is adopted by the undertaking in relation to a strategic decision and that addresses:</p> <ul style="list-style-type: none"> i. a public policy objective; and/or ii. an entity-specific action plan organised as a structured set of targets and actions, associated with a key strategic decision, a major change in business model, and/or particularly important actions and allocated resources. 	<p>Transition plan</p> <p>A specific type of action plan that is adopted by the undertaking in relation to a strategic decision and that addresses:</p> <ul style="list-style-type: none"> <u>(a)</u> a public policy objective; and/or <u>(b)</u> an entity-specific action plan organised as a structured set of targets and actions, associated with: <ul style="list-style-type: none"> <u>(i)</u> a key strategic decision; <u>(ii)</u> a major change in business model; and/or particularly <u>(iii)</u> important actions and allocated resources. 	<p>[UNCHANGED]</p>
<p>Transition plan for climate change mitigation</p> <p>An aspect of an undertaking's overall strategy that lays out the undertaking's targets, actions and resources for its transition towards a lower--carbon economy, including actions such as reducing its GHG emissions with regard to the objective of limiting global warming to 1.5°C and climate neutrality.</p>	<p>Transition plan for climate change mitigation</p> <p>An aspect of an undertaking's overall strategy that lays out the undertaking's targets, actions and resources for its transition towards a lower--carbon economy, including actions such as reducing its GHG emissions with regard to the objective of limiting global warming to 1.5°C and climate neutrality.</p>	<p>[UNCHANGED]</p>
<p>Transition risks</p> <p>Risks that result from a misalignment between an organisation's or investor's strategy and management and the changing regulatory, policy or societal landscape in which it operates. Developments aimed at halting or reversing damage to the climate or to nature, such as government measures, technological breakthroughs, market changes, litigation and changing consumer preferences can all create or change transition risks.</p>	<p>Transition risks</p> <p>Risks that result from a misalignment between an organisation's or investor's strategy and management and the changing regulatory, policy or societal landscape in which it operates. Developments aimed at halting or reversing damage to the climate or to nature, such as government measures, technological breakthroughs, market changes, litigation and changing consumer preferences can all create or change transition risks.</p>	<p>[UNCHANGED]</p>
<p>Users</p> <p>Users of sustainability statements are primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users, including the undertaking's business partners, trade unions and social partners, civil society and non-</p>	<p>Users</p> <p>Users of sustainability statements are primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users, including the undertaking's business partners, trade unions and social partners, civil society and non-</p>	<p>[AMENDED]</p> <p>Removal of 'governments', 'analysts' and 'academics' in the definition of other users.</p>

governmental organisations, governments, analysts and academics.	governmental organisations, governments, analysts and academics.	
	<p><u>User of articles</u></p> <p>Any natural or legal person who uses an <i>article</i> during their industrial or professional activities. For the purposes of these standards, the notion of "user" is adapted from Regulation (EC) No 1907/2006 (REACH) downstream users.</p>	<p>[NEW]</p> <p>Required by stakeholders, adapted from the definition of 'user of substances' which is based on REACH, since REACH does not define the 'user of an article'.</p>
	<p><u>User of substances</u></p> <p>Any natural or legal person, other than the manufacturer, <i>formulator</i>, or importer, who uses a <i>substance</i>, either on its own or in a mixture, during their industrial or professional activities, excluding the final consumer. For the purposes of these standards, this notion is adapted from Regulation (EC) No 1907/2006 (REACH) downstream users.</p>	<p>[NEW]</p> <p>Adapted from the REACH definition of downstream user, as per requests by stakeholders.</p> <p>The 'downstream user' term from REACH was not incorporated since 'use' also includes formulation under REACH, while draft amended ESRS E2-5 considers it part of the more upstream portion of the value chain. The last sentence clarifies link to REACH definition.</p>
<p>Value chain</p> <p>The full range of activities, resources and relationships related to the undertaking's <i>business model</i> and the external environment in which it operates.</p> <p>A <i>value chain</i> encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end-of- life. Relevant activities, resources and relationships include:</p> <ol style="list-style-type: none"> those in the undertaking's own operations, such as human resources; those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and 	<p>Value chain</p> <p>The full range of activities, resources and relationships related to the undertaking's <i>business model</i> and the external environment in which it operates. A <i>value chain</i> encompasses the activities, resources and relationships the undertaking uses and relies on to create its <i>products</i> or services from conception to delivery, consumption and end-of- life. Relevant activities, resources and relationships include:</p> <ol style="list-style-type: none"> those in the undertaking's own operations, such as human resources; those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and the financing, geographical, geopolitical and regulatory environments in which the undertaking operates. 	<p>[UNCHANGED]</p>

<p>iii. the financing, geographical, geopolitical and regulatory environments in which the undertaking operates.</p> <p>Value chain includes actors upstream and downstream from the undertaking. Actors upstream from the undertaking (e.g., suppliers) provide products or services that are used in the development of the undertaking's products or services. Entities downstream from the undertaking (e.g., distributors, customers) receive products or services from the undertaking.</p> <p>ESRS use the term 'value chain' in the singular, although it is recognised that undertakings may have multiple value chains.</p>	<p>Value chain includes actors upstream and downstream from the undertaking. Actors upstream from the undertaking (e.g., suppliers) provide products or services that are used in the development of the undertaking's products or services. Entities downstream from the undertaking (e.g., distributors, customers) receive products or services from the undertaking.</p> <p>ESRS use the term 'value chain' in the singular, although it is recognised that undertakings may have multiple value chains.</p>	
<p>Value chain worker</p> <p>An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In the ESRS, the scope of workers in the value chain include all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted by the undertaking. This includes impacts that are connected to the undertaking's own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of 'Own workforce' ('Own workforce' includes people who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in employment activities. (NACE Code N78)</p>	<p>Value-chain worker</p> <p>An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In the ESRS, the scope of workers in the value chain include all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted by the undertaking. This includes impacts that are connected to the undertaking's own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of 'Own workforce' ('Own workforce' includes people who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in employment activities. (NACE Code N78)</p>	<p>[DELETED]</p>
<p>Wage</p> <p>Gross wage, excluding variable components such as overtime and incentive pay, and excluding allowances unless they are guaranteed.</p>	<p>Wage</p> <p>Gross wage, excluding variable components such as overtime and incentive pay, and excluding allowances unless they are guaranteed.</p>	<p>[UNCHANGED]</p>
<p>Waste</p> <p>Any substance or object which the holder discards or intends or is required to discard⁴⁰.</p>	<p>Waste</p>	<p>[AMENDED]</p>

	<p>Any substance or object which the holder discards, or intends to discard, or is required to discard⁴⁰ (see Directive 2008/98/EC of the European Parliament and of the Council on waste).</p>	Further information was incorporated to improve consistency and alignment with other established frameworks.
Waste hierarchy Priority order in waste prevention and management ⁴¹ : i. prevention; ii. preparing for re-use; iii. recycling ; iv. other recovery (e.g., energy recovery); and disposal.	Waste hierarchy Priority order in waste prevention and management⁴¹: i. prevention; ii. preparing for re-use; iii. recycling; iv. other recovery (e.g., energy recovery); and disposal.	[DELETED] Deleted since the corresponding main requirements have been removed.
Waste management The collection, transport, recovery and disposal of waste , including the supervision of such operations and the after-care of disposal sites , and including actions taken as a dealer or broker ⁴² .	Waste management The collection, transport, recovery and disposal of waste, including the supervision of such operations and the after-care of disposal sites, and including actions taken as a dealer or broker⁴².	[DELETED] Deleted since the corresponding main requirements have been removed.
	Waste stream <u>A particular mass flow of waste from a process, activity, facility or industry, often grouped by material (e.g. plastic, metal, organic), origin (e.g. household, industrial), or hazard (e.g. hazardous vs. non-hazardous).</u>	[NEW] New text in ESRS E5 <i>Resource Use and Circular Economy</i> . This term was added to draft amended ESRS E5 <i>Resource Use and Circular Economy</i> in response to stakeholder requests for clearer guidance.
Wastewater Water which is of no further immediate value to the purpose for which it was used or in the pursuit of which it was produced because of its quality, quantity, or time of occurrence. Wastewater from one user can be a potential supply to a user elsewhere. Cooling water is not considered to be wastewater .	Wastewater Water which is of no further immediate value to the purpose for which it was used or in the pursuit of which it was produced because of its quality, quantity, or time of occurrence. Wastewater from one user can be a potential supply to a user elsewhere. Cooling water is not considered to be wastewater.	[AMENDED] Specific references to cooling water in the definition were removed to maintain a high-level and conceptual focus.
Water consumption The amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water	Water consumption The amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water	[AMENDED]

environment or a third party over the course of the reporting period.	environment or a third party over the course of the reporting period.	References to facilities was deleted to guarantee that the scope remains limited to the undertaking's own operational activities.
Water discharge The sum of effluents and other water leaving the boundaries of the organisation and released to surface water, groundwater , or third parties over the course of the reporting period.	Water discharge The sum of effluents and other water leaving the boundaries of the <u>organisation</u> <u>undertaking</u> and released to surface water , groundwater , or third parties over the course of the reporting period.	[AMENDED] 'Organisation' was replaced with 'undertaking' to better align with the ESRS language.
Water intensity A metric providing the relationship between a volumetric aspect of water and a unit of activity (products, sales, etc.) created.	Water intensity A metric providing the relationship between a volumetric aspect of water and a unit of activity (products, sales, etc.) created.	[DELETED] This term was removed from draft amended ESRS E3 Water.
Water (recycled and reused) Water and wastewater (treated or untreated) that has been used more than once before being discharged from the undertaking's or shared facilities' boundary, so that water demand is reduced. This may be in the same process (recycled) or in a different process within the same facility (own or shared with other undertakings) or in another of the undertaking's facilities (reused).	Water {recycled and reused} Water and wastewater (treated or untreated) that has been used more than once before being discharged from the <u>undertaking's</u> <u>or shared facilities'</u> boundary, so that water demand is reduced. This may be in the same process (recycled) or in a different process within the same facility (own or shared with other undertakings) or in another of the undertaking's facilities (reused).	[AMENDED] References to shared or jointly used facilities were deleted to guarantee that the scope remains limited to the undertaking's own operational activities. Terminology was harmonised into a single conceptual definition across the Glossary of Terms and DRs, improving clarity and consistency in disclosure as requested by stakeholders.
Water scarcity The volumetric abundance, or lack thereof, of freshwater resources. Scarcity is human driven, it is a function of the volume of human water consumption relative to the volume of	Water scarcity Refers to the the volumetric abundance, or lack thereof, of freshwater resources. Scarcity is human driven; it is a function of the volume of human water consumption relative to the	[UNCHANGED] Minor editorial changes.

<p>water resources in a given area. As such, an arid region with very little water, but no human water consumption would not be considered scarce, but rather arid. Water scarcity is a physical, objective reality that can be measured consistently across regions and over time. Water scarcity reflects the physical abundance of freshwater rather than whether that water is suitable for use. For instance, a region may have abundant water resources (and thus not be considered water scarce) but have such severe pollution that those supplies are unfit for human or ecological uses.</p>	<p>volume of water resources in a given area. As such, an arid region with very little water, but no human water consumption would not be considered scarce; but rather arid. Water scarcity is a physical, objective reality that can be measured consistently across regions and over time. Water scarcity reflects the physical abundance of freshwater rather than whether that water is suitable for use. For instance, a region may have abundant water resources (and thus not be considered water scarce) but have such severe pollution that those supplies are unfit for human or ecological uses.</p>	
	<p>Water stored <u>Water held in water storage facilities or reservoirs.</u></p>	<p>[NEW] This term was added to draft amended ESRS E3 Water in response to stakeholder demand for a definition, adapted from other relevant water standards.</p>
<p>Water withdrawal The sum of all water drawn into the boundaries of the undertaking from all sources for any use over the course of the reporting period.</p>	<p>Water withdrawal The sum of all water drawn into the boundaries of the undertaking from all sources for any use over the course of the reporting period.</p>	<p>[UNCHANGED]</p>
	<p>Worker in the value chain <u>An individual performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking. In ESRS, the scope of workers in the value chain includes all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted by the undertaking. This includes impacts that are connected to the undertaking's own operations, and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not in the scope of 'Own Workforce' ('Own workforce' includes people who are in an employment relationship with the undertaking ('employees') and non-employees who are either individual contractors supplying labour to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in employment activities (NACE Code N78).</u></p>	<p>[NEW]</p>

<p>Workers' representatives</p> <p>Workers' representatives means:</p> <ul style="list-style-type: none"> i. trade union representatives, namely representatives designated or elected by trade unions or by members of such unions in accordance with national legislation and practice; ii. duly elected representatives, namely representatives who are freely elected by the workers of the organisation, not under the domination or control of the employer in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are the exclusive prerogative of trade unions in the country concerned and which existence is not used to undermine the position of the trade unions concerned or their representatives. 	<p>Workers' representatives</p> <p>Workers' representatives means:</p> <ul style="list-style-type: none"> (a) trade union representatives, namely representatives designated or elected by trade unions or by members of such unions in accordance with national legislation and practice; (b) duly elected representatives, namely representatives who are freely elected by the workers of the organisation, not under the domination or control of the employer in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are the exclusive prerogative of trade unions in the country concerned and which existence is not used to undermine the position of the trade unions concerned or their representatives. 	<p>[UNCHANGED]</p>
<p>Work-life balance</p> <p>Satisfactory state of equilibrium between an individual's work and private life. Work-life balance in a broader sense encompasses not only the balance between work and private life given family or care responsibilities, but also time allocation between time spent at work and in private life beyond family responsibilities.</p>	<p>Work-life balance</p> <p>Satisfactory state of equilibrium between an individual's work and private life. Work-life balance in a broader sense encompasses not only the balance between work and private life given family or care responsibilities, but also time allocation between time spent at work and in private life beyond family responsibilities.</p>	<p>[UNCHANGED]</p>
<p>Work-related hazards</p> <p>Work-related hazards can be:</p> <ul style="list-style-type: none"> i. physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment); ii. ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration); 	<p>Work-related hazards</p> <p>Work related hazards can be:</p> <ul style="list-style-type: none"> i. physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment); ii. ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration); 	<p>[DELETED]</p> <p>Deleted because term not used in draft amended ESRS S1-S4 standards.</p>

<p>iii. chemical (e.g., exposure to carcinogens, mutagens, reprotoxic substances, solvents, carbon monoxide, or pesticides);</p> <p>iv. biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);</p> <p>v. psychosocial (e.g., verbal abuse, harassment, bullying);</p> <p>related to work-organisation (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).</p>	<p>iii. chemical (e.g., exposure to carcinogens, mutagens, reprotoxic substances, solvents, carbon monoxide, or pesticides);</p> <p>iv. biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);</p> <p>v. psychosocial (e.g., verbal abuse, harassment, bullying);</p> <p>related to work organisation (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).</p>	
<p>Work-related incident</p> <p>Occurrence arising out of or in the course of work that could or does result in injury or ill health. Incidents might be due to, for example, electrical problems, explosion, fire, overflow, overturning, leakage, flow, breakage, bursting, splitting, loss of control, slipping, stumbling and falling, body movement without stress, body movement under/with stress, shock, fright, workplace violence or harassment (e.g., sexual harassment).</p> <p>An incident that results in injury or ill health is often referred to as an 'accident'. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near-miss', or 'near-hit'.</p>	<p>Work related incident</p> <p>Occurrence arising out of or in the course of work that could or does result in injury or ill health. Incidents might be due to, for example, electrical problems, explosion, fire, overflow, overturning, leakage, flow, breakage, bursting, splitting, loss of control, slipping, stumbling and falling, body movement without stress, body movement under/with stress, shock, fright, workplace violence or harassment (e.g., sexual harassment).</p> <p>An incident that results in injury or ill health is often referred to as an 'accident'. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near miss', or 'near hit'.</p>	<p>[DELETED]</p> <p>Deleted because term not used in draft amended ESRS S1-S4 standards.</p>

**All footnotes in Annex II as enacted in 2023 were removed in line with the simplification effort*



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