



LOG OF AMENDMENTS

ESRS S4

CONSUMERS AND
END-USERS



DECEMBER 2025



EFRAG

Log of Amendments by Standard - ESRS S4 *Consumers and End-users*

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

Disclaimer: The Log of Amendments by Standard accompanies but is not part of the draft Amended ESRS issued by EFRAG on 3 December 2025. It complements and should be read in conjunction with the Basis for Conclusions (BFC), where a summarised description of the main changes to the Standards can be found. It does not reflect the position of the European Union or the European Commission DG Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

Introduction

1. **This document complements and should be read in conjunction with the Basis for Conclusions where a summarised description of the main changes to individual Standards can be found.**
2. This document illustrates the amendments at paragraph level in draft Amended ESRS S4 *Consumers and End-users*.
3. The starting point is the text of the ESRS as enacted in 2023, with each paragraph listed and numbered in Column 1.
4. A markup of amendments is provided in Column 2 including text added or removed. Text added has been underlined in Column 2. Text deleted is marked as strikethrough (~~strikethrough~~) in Column 2. Where text is unchanged this is also included (no change to text) including where there is no change to the DR.
5. The last column includes a summary of changes made to the DR using the following terminology: [AMENDED], [UNCHANGED], [MOVED], [NEW] or [DELETED].
6. The last column also includes explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

Objective		
ESRS as enacted in 2023	Draft Amended ESRS	Comment/Explanation
	<p><u>1. The sustainability statement shall include information in relation to ESRS S4 Consumers and End-users if this topic relates to material impacts, risks and opportunities to cover all the reporting areas listed in paragraph 5 of ESRS 1 General Requirements. If not all the sub-topics prescribed by this Standard are to be reported following the materiality assessment, paragraph 30 of ESRS 1 General Requirements applies.</u></p>	<p>[AMENDED]</p> <p>Consolidation of former [1] and reinforcement of ESRS 1 [30].</p>
1. The objective of this Standard is to specify disclosure requirements which will enable users of the sustainability statement to understand material impacts on consumers and end users connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, and its related material risks and opportunities, including:	<p><u>2.1. The objective of this Standard is to set out DRs providing information in relation to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 General Requirements and ESRS 2 General Disclosures, specify disclosure requirements which will enable users of the sustainability statement to understand material impacts on consumers and end users connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, and its related material risks and opportunities, including:</u></p>	<p>[AMENDED]</p> <p>Additional clarification provided.</p>
(a) how the undertaking affects the consumers and/or end-users of its products and/or services (referred to in this Standard as "consumers and end-users"), in terms of material positive and negative actual or potential impacts;	<p><u>(a) how the undertaking affects the consumers and/or end-users of its products and/or services (referred to in this Standard as "consumers and end-users"), in terms of material positive and negative actual or potential impacts;</u></p>	<p>[DELETED]</p> <p>In line with simplification and clarification in objective.</p>
(b) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;	<p><u>(b) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;</u></p>	<p>[DELETED]</p> <p>In line with simplification and clarification in objective.</p>

(c) the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on consumers and end-users, and how the undertaking manages such risks and opportunities; and	(c) the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on consumers and end-users, and how the undertaking manages such risks and opportunities; and	[DELETED] In line with simplification and clarification in objective.
(d) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on consumers and/or end-users.	(d) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on consumers and/or end-users.	[DELETED] In line with simplification and clarification in objective.
	<u>3. In this Standard, each DR is introduced by a disclosure objective except for policies, actions and targets, for which the provisions in ESRS 2 GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.</u>	[NEW] Simplification in the architecture whereby objectives are not included in topical Policies, Actions and Targets DRs.
2. In order to meet the objective, this Standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on the consumers and/or end-users related to its products and/or services in relation to:	<u>4.2. In order to meet the objective, this Standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on the consumers and/or end-users related to its products and/or services in relation to: sets out DRs related to consumers and/or end users, in particular with respect to the following sub-topics:</u>	[AMENDED] Principle unchanged but aligned with changes in ESRS 1 Appendix A.
(a) information-related impacts on consumers and/or end-users (for example, privacy, freedom of expression and access to (quality) information;	(a) information-related impacts on consumers and/or end-users (including for example, privacy, access to information, freedom of expression and access to (quality) information);	[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A
(b) personal safety of consumers and/or end-users (for example, health and safety, security of a person and protection of children);	(b) personal safety of consumers and/or end-users (including for example, health and safety, protection of children, security of a person and protection of children); and	[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A .

(c) social inclusion of consumers and/or end-users (for example, non-discrimination, access to products and services and responsible marketing practices).	(c) social inclusion of consumers and/or end-users (<u>including for example, non-discrimination, access to products and services, and responsible marketing practices, non-discrimination</u>).	[AMENDED] Wording unchanged but aligned with changes in ESRS 1 Appendix A
3. This Standard also requires an explanation of how such impacts, as well as the undertaking's dependencies on consumers and/or end-users, can create material risks or opportunities for the undertaking. For example, negative impacts on the reputation of the undertaking's products and/or services can be detrimental to its business performance, while trust in products and/or services can bring business benefits, such as increased sales or widening of the future consumer base.	3. This Standard also requires an explanation of how such impacts, as well as the undertaking's dependencies on consumers and/or end users, can create material risks or opportunities for the undertaking. For example, negative impacts on the reputation of the undertaking's products and/or services can be detrimental to its business performance, while trust in products and/or services can bring business benefits, such as increased sales or widening of the future consumer base.	[DELETED] Examples have been kept to a minimum in the standard. Simplification exercise.
4. The unlawful use or misuse of the undertaking's products and services by consumers and end-users fall outside the scope of this standard.	5. 4. The unlawful use or misuse of the undertaking's products and services by consumers and/or end-users fall outside the scope of this s Standard.	[UNCHANGED]
Interaction with other topical ESRS		
ESRS as enacted in 2023	Draft Amended ESRS	Comment/Explanation
5. This standard applies when material impacts on and/or material risks and opportunities related to consumers and/or end-users have been identified through the materiality assessment process laid out in ESRS 2 General disclosures.	5. This standard applies when material impacts on and/or material risks and opportunities related to consumers and/or end-users have been identified through the materiality assessment process laid out in ESRS 2 General disclosures.	[DELETED] This has been consolidated with [3] above.
6. This Standard shall be read in conjunction with ESRS 1 General requirements, and ESRS 2, as well as ESRS S1 Own workforce, ESRS S2 Workers in the value chain and ESRS S3 Affected communities.	<u>6. Social and environmental topics interact with each other. The points of interaction between ESRS S4 Consumers and End-users and the other topical standards are the following:</u>	[AMENDED] Amended text for clarity and aligned with other topical standards in line with input from the public consultation and outreach events.

	<p>6. This Standard shall be read in conjunction with ESRS 1 General requirements, and ESRS 2, as well as ESRS S1 Own workforce, ESRS S2 Workers in the value chain and ESRS S3 Affected communities.</p>	
	<p><u>(a) all the social standards, i.e. ESRS S1 Own Workforce, ESRS S2 Workers in the Value Chain, ESRS S3 Affected Communities, ESRS S4 Consumers and End-users, are aligned in terms of content and structure and are related to each other. The disclosures in the social standards address material information needed for reporting on impacts on people, risks and opportunities related to each stakeholder group, including in relation to sustainability due diligence;</u></p>	[AMENDED] Amended text for clarity and aligned with other topical standards in line with input from the public consultation and outreach events.
	<p><u>(b) this Standard interacts with ESRS E1 Climate Change to the extent that the transition to a low-carbon and climate-resilient economy is a source of material impacts, risks and opportunities with regard to consumers and/or end-users; and</u></p>	[NEW] New paragraphs added for interactions with Environmental standards
	<p><u>(c) this Standard interacts with ESRS E5 Resource Use and Circular Economy to the extent that consumers and/or end-users are informed about the resource use, waste management or circular economy aspects of the products or services they buy.</u></p>	[NEW] New paragraphs added for interactions with Environmental standards
Disclosure Requirements ESRS 2 - General Disclosures		
ESRS as enacted in 2023	Draft Amended ESRS	Comment/Explanation
7. The requirements of this section should be read in conjunction with the disclosures required by ESRS 2 on Strategy (SBM). The resulting disclosures shall be presented alongside the disclosures required by ESRS 2, except for SBM-3 <i>Material impacts, risks and opportunities and their interaction with strategy and business model</i> , for which the undertaking has an	<p>7. The requirements of this section should be read in conjunction with the disclosures required by ESRS 2 on Strategy (SBM). The resulting disclosures shall be presented alongside the disclosures required by ESRS 2, except for SBM-3 <i>Material impacts, risks and opportunities and their interaction with strategy and business model</i>, for which the undertaking has an</p>	[AMENDED] Revised architecture whereby no ESRS 2 specifications for SBM in the topical standards based on input from information gathering. This provision is now in [3].

<i>and business model</i> , for which the undertaking has an option to present the disclosures alongside the topical disclosure.	option to present the disclosures alongside the topical disclosure.	
Strategy		
Disclosure Requirement related to ESRS 2 SBM-2 Interests and views of stakeholders	Disclosure Requirement related to ESRS 2 SBM-2 Interests and views of stakeholders	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
8. When responding to ESRS 2 SBM-2, paragraph 43, the undertaking shall disclose how the interests, views and rights of its consumers and/or end-users, including respect for their human rights, inform its strategy and business model. Consumers and/or end-users are a key group of affected stakeholders.	8. When responding to ESRS 2 SBM-2, paragraph 43, the undertaking shall disclose how the interests, views and rights of its consumers and/or end-users, including respect for their human rights, inform its strategy and business model. Consumers and/or end-users are a key group of affected stakeholders.	[DELETED] Revised architecture whereby no ESRS 2 specifications for SBM in the topical standards based on input from information gathering.
Comment/Explanation		
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
9. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose:	9. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose:	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
Comment/Explanation		
(a) whether and how actual and potential impacts on consumers and/or end-users as identified in Disclosure Requirements ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities : (i) originate from or are connected to the undertaking's strategy and business model, and (ii) inform and	(a) whether and how actual and potential impacts on consumers and/or end-users as identified in Disclosure Requirements ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities : (i) originate from or are connected to the undertaking's strategy and business model, and (ii) inform and contribute to adapting the undertaking's strategy and business model, and	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.

contribute to adapting the undertaking's strategy and business model, and		
(b) the relationship between its material risks and opportunities arising from impacts and dependencies on consumers and/or end-users and its strategy and business model.	(b) the relationship between its material risks and opportunities arising from impacts and dependencies on consumers and/or end-users and its strategy and business model.	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
10. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all consumers and/or end-users who are likely to be materially impacted by the undertaking, including impacts connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, are included in the scope of its disclosure under ESRS 2. In addition, the undertaking shall disclose the following information:	10. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all consumers and/or end-users who are likely to be materially impacted by the undertaking, including impacts connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, are included in the scope of its disclosure under ESRS 2. In addition, the undertaking shall disclose the following information:	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(a) a brief description of the types of consumers and/or end-users subject to material impacts by its own operations or through its value chain, and specify whether they are: i.consumers and/ or end-users of products that are inherently harmful to people and/or increase risks for chronic disease; ii.consumers and/ or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non- discrimination;	(a) a brief description of the types of consumers and/or end-users subject to material impacts by its own operations or through its value chain, and specify whether they are: i.consumers and/ or end-users of products that are inherently harmful to people and/or increase risks for chronic disease; ii.consumers and/ or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non- discrimination;	[DELETED] Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.

<p>iii.consumers and/ or end-users who are dependent on accurate and accessible product- or service- related information, such as manuals and product labels, to avoid potentially damaging use of a product or service;</p> <p>iv.consumers and/ or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals;</p>	<p>iii.consumers and/ or end users who are dependent on accurate and accessible product or service related information, such as manuals and product labels, to avoid potentially damaging use of a product or service;</p> <p>iv.consumers and/ or end users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals;</p>	
<p>(b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking sells or provides its products or services (for example, state surveillance that affects the privacy of service users), or (ii) related to individual incidents (for example, a defect linked to a particular product) or to specific business relationships (for example, a business partner uses marketing that inappropriately targets young consumers);</p>	<p>(b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking sells or provides its products or services (for example, state surveillance that affects the privacy of service users), or (ii) related to individual incidents (for example, a defect linked to a particular product) or to specific business relationships (for example, a business partner uses marketing that inappropriately targets young consumers);</p>	<p>[DELETED]</p> <p>Deletion of specifications.</p>
<p>(c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts (for example, product design that improves its accessibility for persons with disabilities) and the types of consumers and/or end-users that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions; and</p>	<p>(c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts (for example, product design that improves its accessibility for persons with disabilities) and the types of consumers and/or end users that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions; and</p>	<p>[DELETED]</p> <p>Revised architecture whereby no ESRS 2 specification for SBM in the topical standards based on input from information gathering.</p>

(d) any material risks and opportunities for the business arising from impacts and dependencies on consumers and/or end-users.	(d) any material risks and opportunities for the business arising from impacts and dependencies on consumers and/or end-users.	[DELETED] Revised architecture whereby no ESRS 2 specification for SBM in the topical standards based on input from information gathering.
11. In describing the main types of consumers and/or end-users who are or could be negatively affected, based on the materiality assessment set out in ESRS 2 IRO-1, the undertaking shall disclose whether and how it has developed an understanding of how consumers and/or end-users with particular characteristics, or those using particular products or services, may be at greater risk of harm.	11. In describing the main types of consumers and/or end-users who are or could be negatively affected, based on the materiality assessment set out in ESRS 2 IRO-1, the undertaking shall disclose whether and how it has developed an understanding of how consumers and/or end-users with particular characteristics, or those using particular products or services, may be at greater risk of harm.	[DELETED] A reduction based on the revised objective based on EFRAG decision.
12. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on consumers and/or end-users, relate to specific groups of consumers and/or end-users (for example, particular age groups) rather than to all consumers and/or end-users.	12. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on consumers and/or end-users, relate to specific groups of consumers and/or end-users (for example, particular age groups) rather than to all consumers and/or end-users.	[DELETED] Deleted in relation to revised architecture of ESRS 2 based on input from information gathering.
Impact, risk and opportunity management		
<i>Disclosure Requirement S4-1 – Policies related to consumers and end-users</i>	<i>Disclosure Requirement S4-1 – Policies related to consumers and end-users</i>	<i>Comment/Explanation</i>
ESRS as enacted in 2023	Draft Amended ESRS	
13. The undertaking shall describe its policies adopted to manage its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities.	13. The undertaking shall describe its policies adopted to manage its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities.	[AMENDED] Moved to new [7] as part of editorial and simplification edits.
14. The objective of this Disclosure Requirement is to enable an understanding of the extent to	14. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the	[DELETED]

which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on consumers and/or end-users specifically, as well as policies that cover material risks or opportunities related to consumers and/or end-users.	undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on consumers and/or end-users specifically, as well as policies that cover material risks or opportunities related to consumers and/or end-users.	Deleted in accordance with the decision by EFRAG to eliminate 'Objectives' paragraphs from topical PAT disclosures requirements. This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.
15. The disclosure required by paragraph 13 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to consumers and/or end-users in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such policies cover specific groups or all consumers and/or end-users.	7.15. The disclosure required by paragraph 13 shall contain the information on the undertaking's shall describe its policies to manage its for managing material impacts, risks and opportunities related to consumers and/or end-users in accordance with ESRS 2 MGDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such It shall state whether these policies cover specific groups (for example, particular age groups) or all consumers and/or end-users.	[UNCHANGED] Editorial changes for clarification and overall edits as part of the architectural decisions made by EFRAG. Elements moved from former [13].
16. The undertaking shall describe its human rights policy commitments (116) that are relevant to consumers and/or end-users, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material, as well as the general approach in relation to (117):	16. The undertaking shall describe its human rights policy commitments (116) that are relevant to consumers and/or end-users, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material, as well as the general approach in relation to (117):	[MOVED] Moved to ESRS 2 [GDR-P], Merged with #11 Table 1, where disclosures regarding human rights policy commitments are pooled for all four social stakeholder groups based on input from information gathering This point supports alignment with SFDR and Benchmark regulation.
(a) respect for the human rights of consumers and/or end-users.	(a) respect for the human rights of consumers and/or end-users.	[DELETED] This datapoint was deleted as it refers to former [16] which was moved to ESRS 2.

(b) engagement with consumers and/or end-users; and	(b) engagement with consumers and/or end-users; and	<p>[DELETED]</p> <p>This datapoint was deleted as it refers to former [16] which was moved to ESRS 2.</p> <p>In addition, this datapoint overlaps with disclosures under new S4-2 on processes for engaging with consumers and end-users about impacts and S4-3 concerning actions</p>
(c) measures to provide and/or enable remedy for human rights impacts.	(c) measures to provide and/or enable remedy for human rights impacts.	<p>[DELETED]</p> <p>This datapoint was deleted as it refers to former [16] which was moved to ESRS 2.</p> <p>In addition, this datapoint overlaps with disclosures under new S4-2 on processes for engaging with consumers and end-users about impacts and approaches to remedy.</p>
17. The undertaking shall disclose whether and how its policies with regard to consumers and/or end-users are aligned with internationally recognised instruments relevant to consumers and/or end-users, including United Nations (UN) Guiding Principles on Business and Human Rights. The undertaking shall also disclose the extent to which cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users have been reported in its downstream value chain and, if applicable, an indication of the nature of such cases (118).	17. The undertaking shall disclose whether and how its policies with regard to consumers and/or end-users are aligned with internationally recognised instruments relevant to consumers and/or end-users, including United Nations (UN) Guiding Principles on Business and Human Rights. The undertaking shall also disclose the extent to which cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users have been reported in its downstream value chain and, if applicable, an indication of the nature of such cases (118).	<p>[MOVED]</p> <p>Moved to ESRS 2 [GDR-P] where disclosures regarding human rights policy commitments are pooled for all four social stakeholder groups based on input from information gathering.</p> <p>This point supports alignment with EU Benchmark and EU SFDR legislation.</p>

Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts	Disclosure Requirement S4-2 – <u>Processes for engaging with consumers and end-users about impacts</u> <u>Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy</u>	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
		<p>[AMENDED]</p> <p>Overall approach: Consolidation of two DRs under a single DR in light of the connection between the three points on engagement, channels to raise concerns and remedy. Deletion of a number of datapoints and clear delimitation of the scope of existing datapoints as per input from public input survey. General approach to remedy moved after “channels to raise concerns” for better alignment with the sequencing of UNGPs or OECD MNE.</p>
18. The undertaking shall disclose its general processes for engaging with consumers and end-users and their representatives about actual and potential impacts on them	18. The undertaking shall disclose its general processes for engaging with consumers and end-users and their representatives about actual and potential impacts on them	<p>[DELETED]</p> <p>Deleted based on EFRAG decision to delete introductory paragraphs.</p>
19. The objective of this Disclosure Requirement is to enable an understanding of whether and how the undertaking engages, as part of its ongoing due diligence process, with consumers and/or end-users, their legitimate representatives, or with credible proxies, about material actual and potential positive and/or negative impacts that do or are likely to affect them, and whether and how perspectives of consumers and/or end-users are taken into account in the decision-making processes of the undertaking.	8.19. The objective of this <u>DR</u> Disclosure Requirement is to enable an understanding of whether and how the undertaking’s <u>general approach to engagement with consumers and/or end-users, including the availability of channels to raise concerns or needs such as grievance mechanisms, and its approach to remedy</u> , engages, as part of its ongoing due diligence process, with consumers and/or end-users, their legitimate representatives, or with credible proxies, about material actual and potential positive and/or negative impacts that do or are likely to affect them, and whether and how perspectives of consumers and/or	<p>[AMENDED]</p> <p>The wording was simplified and amended to align with the decision to merge former ESRS S4-2 and S4-3. Elements moved from former [24].</p>

	end users are taken into account in the decision-making processes of the undertaking.	
20. The undertaking shall disclose whether and how the perspectives of consumers and/or end-users inform its decisions or activities aimed at managing actual and potential impacts on consumers and/or end-users. This shall include, where relevant, an explanation of:	9. 20. The undertaking shall disclose <u>how it engages directly with consumers and/or end users, their legitimate representatives, or with credible proxies</u> , whether and how the perspectives of consumers and/or end-users inform its decisions or activities aimed at managing <u>the</u> actual and potential impacts on consumers and/or end-users <u>during the reporting year</u> . This shall include, where relevant, an explanation of: <u>how the undertaking gains insight into the perspectives of consumers and/or end-users who may be particularly vulnerable to impacts and/or who are marginalised (for example, people with disabilities, children) if the undertaking takes action to understand those perspectives.</u>	[AMENDED] The wording was simplified and amended to align with the decision to merge former ESRS S4-2 and S4-3. Elements moved from former [20] (a) and [21] and clarified timeframe (i.e. reporting year).
(a) whether engagement occurs with affected consumers and/or end-users or their legitimate representatives directly, or with credible proxies that have insight into their situation;	(a) whether engagement occurs with affected consumers and/or end-users or their legitimate representatives directly, or with credible proxies that have insight into their situation;	[AMENDED] Moved to new [9] in line with simplification.
(b) the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement;	(b) the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement.	[MOVED] Moved to new [AR 2] (type of engagement)
(c) the function and the most senior role within the undertaking that has operational responsibility for ensuring this engagement happens and that the results inform the undertaking's approach; and	(c) the function and the most senior role within the undertaking that has operational responsibility for ensuring this engagement happens and that the results inform the undertaking's approach; and	[DELETED] Granularity removed from narrative disclosures.

(d) where applicable, how the undertaking assesses the effectiveness of its engagement with consumers and/or end-users, and, where relevant, any agreements or outcomes that result from such engagement.	(d) where applicable, how the undertaking assesses the effectiveness of its engagement with consumers and/or end-users, and, where relevant, any agreements or outcomes that result from such engagement.	[DELETED] Moved to new [10] which covers disclosure on how the undertaking assesses the effectiveness of channels to raise concerns or needs.
21. Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of consumers and/or end-users that may be particularly vulnerable to impacts and/or marginalised (for example, people with disabilities, children, etc.).	21. Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of consumers and/or end-users that may be particularly vulnerable to impacts and/or marginalised (for example, people with disabilities, children, etc.).	[AMENDED] Moved and consolidated with new [9]
22. If the undertaking cannot disclose the above required information because it has not adopted a general process to engage with consumers and/or end-users, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a process in place.	22. If the undertaking cannot disclose the above required information because it has not adopted a general process to engage with consumers and/or end-users, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a process in place.	[DELETED] Burden reduction by deleting this negative statement requirement.
<i>Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns</i>	<i>Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns</i>	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
		[AMENDED] Overall approach: Consolidation of two DRs under a single DR in light of the connection between the three points on engagement, channels to raise concerns and remedy. Deletion of a number of datapoints and clear delimitation of the scope of existing datapoints as per input from public input survey. General approach to remedy moved after "channels to raise concerns" for better alignment with the sequencing of UNGPs or OECD MNE.

<p>23. The undertaking shall describe the processes it has in place to provide for or cooperate in the remediation of negative impacts on consumers and end-users that the undertaking is connected with, as well as channels available to consumers and end-users to raise concerns and have them addressed.</p>	<p>23. The undertaking shall describe the processes it has in place to provide for or cooperate in the remediation of negative impacts on consumers and end-users that the undertaking is connected with, as well as channels available to consumers and end-users to raise concerns and have them addressed.</p>	<p>[DELETED] The paragraph was removed as part of the overall architectural decisions made by EFRAG to streamline the text.</p>
<p>24. The objective of this Disclosure Requirement is to enable an understanding of the formal means by which consumers and/or end-users can make their concerns and needs known directly to the undertaking, and/or through which the undertaking supports the availability of such channels (for example, grievance mechanisms) by its business relationships, how follow up is performed with these consumers and/or end-users regarding the issues raised, and the effectiveness of these channels.</p>	<p>24. The objective of this Disclosure Requirement is to enable an understanding of the formal means by which consumers and/or end-users can make their concerns and needs known directly to the undertaking, and/or through which the undertaking supports the availability of such channels (for example, grievance mechanisms) by its business relationships, how follow up is performed with these consumers and/or end-users regarding the issues raised, and the effectiveness of these channels.</p>	<p>[DELETED] Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort in eliminating overlaps between ESRS 2 and topical standards. Streamlined with ESRS S4-2 based on agreement by EFRAG and input from information gathering to merge former ESRS S4-2 and ESRS S4-3.</p>
<p>25. The undertaking shall describe:</p> <p>(a) its general approach to and processes for providing or contributing to remedy where it has identified that it has caused or contributed to a material negative impact on consumers and/or end-users, including whether and how the undertaking assesses that the remedy provided is effective;</p>	<p>25. The undertaking shall describe:</p> <p>11. (a) The undertaking shall describe its general approach to and processes for providing or contributing to remedy to provide or cooperate in remediation where it has identified that it has caused or contributed to a material negative impact on consumers and/or end-users, including whether and how the undertaking assesses that the remedy provided is effective;</p>	<p>[DELETED] Based on EFRAG decision to simplify content. [AMENDED] As part of the merging former ESRS S4-2 and ESRS S4-3, this is moved to ESRS S4-2 [11] Editorial change to refer to "provide or cooperate in remediation" in alignment with international standards (UNGPs principle 22).</p>
<p>(b) any specific channels it has in place for consumers and/or end-users to raise their concerns or needs directly with the undertaking and have them addressed, including whether these are established by the undertaking itself</p>	<p>10. (b) The undertaking shall describe the any specific channels it has in place for available to consumers and/or end-users to raise bring their concerns or needs directly with to its attention the undertaking and have them addressed, including whether these are established by the undertaking itself and/or through</p>	<p>[AMENDED] Text moved from former [25] (d) and simplified to improve clarity in line with simplification.</p>

and/or through participation in third-party mechanisms;	participation in third party mechanisms; In particular, it shall state whether it has a grievance mechanism in place¹. It shall also explain how it assesses the effectiveness of these channels.	Reference to third party mechanisms moved to defined term “channels to raise concerns or needs” that is now included in the glossary.
(c) the processes through which the undertaking supports or requires the availability of such channels by its business relationships; and	(e) the processes through which the undertaking supports or requires the availability of such channels by its business relationships; and	[DELETED] Deleted to reduce granularity.
(d) how it tracks and monitors issues raised and addressed, and how it ensures the effectiveness of the channels, including through involvement of stakeholders who are the intended users.	(d) how it tracks and monitors issues raised and addressed, and how it ensures the effectiveness of the channels, including through involvement of stakeholders who are the intended users.	[AMENDED] Moved to new [10] Criteria for effectiveness are provided in new [AR 3] by reference to the ‘effectiveness criteria for non-judicial grievance mechanisms’, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.
26. The undertaking shall disclose whether and how it assesses that consumers and/or end-users are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place to protect individuals from retaliation when they use such structures or processes. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.	26. The undertaking shall disclose whether and how it assesses that consumers and/or end users are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place to protect individuals from retaliation when they use such structures or processes. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.	[MOVED] Criteria for effectiveness are provided in new [AR 3] by reference to the “effectiveness criteria for non-judicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31. New [AR 3] also covers policies for protecting against retaliation individuals that use the channels.
27. If the undertaking cannot disclose the above required information because it has not adopted a channel for raising concerns and/or does not support the availability of mechanisms by its business relationships, it shall disclose this to be	27. If the undertaking cannot disclose the above required information because it has not adopted a channel for raising concerns and/or does not support the availability of mechanisms by its business relationships, it shall disclose this to be the case. It may	[DELETED] Burden reduction by deleting this negative statement provision.

the case. It may disclose a timeframe in which it aims to have such a channel or processes in place.	disclose a timeframe in which it aims to have such a channel or processes in place.	
<i>Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</i>	<i>Disclosure Requirement S4-34 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions-Actions and resources related to consumers and end-users</i>	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
28. The undertaking shall disclose how it takes action to address material impacts on consumers and end-users, and to manage material risks and pursue material opportunities related to consumers and end-users, and effectiveness of those actions.	28. The undertaking shall disclose how it takes action to address material impacts on consumers and end- users, and to manage material risks and pursue material opportunities related to consumers and end- users, and effectiveness of those actions.	[DELETED] The paragraph was removed as part of the overall architectural decisions made by EFRAG to streamline the text.
29. The objective of this Disclosure Requirement is twofold. Firstly, it is to provide an understanding of any actions and initiatives through which the undertaking seeks to:	29. The objective of this Disclosure Requirement is twofold. Firstly, it is to provide an understanding of any actions and initiatives through which the undertaking seeks to:	[DELETED] Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.
(a) prevent, mitigate and remediate the negative material impacts on consumers and/or end- users, and/or	(a) prevent, mitigate and remediate the negative material impacts on consumers and/or end- users, and/or	
(b) achieve positive material impacts for consumers and/or end-users.	(b) achieve positive material impacts for consumers and/or end users.	
Secondly, it is to enable an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and/or end- users.	Secondly, it is to enable an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and/or end- users.	[DELETED] Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements.

		This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.
30. The undertaking shall provide a summarised description of the action plans and resources to manage its material impacts, risks, and opportunities related to consumers and end-users as per ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.	<u>12.</u> <u>30.</u> The undertaking shall <u>provide a summarised description of describe the key actions plans and resources used to manage its material positive and negative impacts, risks, and opportunities related to consumers and/or end-users as per in accordance with ESRS 2 MGDR-A Actions and resources in relation to material sustainability matters.</u>	[AMENDED] Editorial change to clarify that this disclosure applies to both material positive and negative impacts.
31. In relation to material impacts, the undertaking shall describe:	<u>13.</u> <u>31.</u> In relation to material <u>negative impacts on consumers and/or end users</u> , the undertaking shall describe:	[AMENDED] Editorial: addition of “negative”.
(a) actions taken, planned or underway to prevent, mitigate or remediate material negative impacts on consumers and/or end-users;	(a) <u>its key actions taken, planned or underway to prevent, mitigate and/or remediate material negative impacts on consumers and/or end-users, including its approach in situations where tensions arise between such actions and other business pressures (for example, practices related to marketing, sales and data use); and</u>	[AMENDED] Elements moved from former [31] (b) and [34] that were connected and both relate to remedies. This datapoint now covers prevention, mitigation as well as remediation of material negative impacts.
(b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact;	<u>(b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact;</u>	[AMENDED] Concept of remedy included in new [13].
(c) any additional actions or initiatives it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and/or end-users; and	<u>(c) any additional actions or initiatives it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and/or end-users; and</u>	[DELETED] Based on EFRAG decision to simplify content. Disclosures on positive impacts are now all covered in new [12]
(d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering intended outcomes for consumers and/or end-users.	<u>(b) (d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering intended outcomes for consumers and/or end-users. This disclosure can be omitted if the undertaking discloses</u>	[AMENDED]

	<u>how it tracks the effectiveness of its actions in accordance with ESRS 2 GDR-T or GDR-M. In that case, a reference to that disclosure is sufficient.</u>	Amended to make it clear that companies need not disclose the same information twice and to improve articulation between topical PAT disclosures and ESRS 2.
32. In relation to paragraph 28, the undertaking shall describe:	<u>32. In relation to paragraph 28, the undertaking shall describe:</u>	[DELETED] Deleted to reduce granularity and duplications.
(a) the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on consumers and/or end-users.	<u>(a) the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on consumers and/or end-users.</u>	
(b) its approaches to taking action in relation to specific material negative impacts on consumers and/or end-users, including any action in relation to its own practices regarding product design, marketing or sales, as well as whether wider industry or collaborative action with other relevant parties will be required; and	<u>(b) its approaches to taking action in relation to specific material negative impacts on consumers and/or end-users, including any action in relation to its own practices regarding product design, marketing or sales, as well as whether wider industry or collaborative action with other relevant parties will be required; and</u>	[DELETED] Simplified via actions disclosed in new [13]. Some additional information on key actions, including reference to collective actions in [AR 4]. Including editorial changes made to simplify wording and enhance understanding.
(c) how it ensures that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes.	<u>(c) how it ensures that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes.</u>	[DELETED] Simplified via actions disclosed in new [13]. Some additional information on key actions, including reference to collective actions in [AR 4]. Including editorial changes made to simplify wording and enhance understanding.
33. In relation to material risks and opportunities, the undertaking shall describe:	<u>33. In relation to material risks and opportunities, the undertaking shall describe:</u>	[DELETED] Simplification of topical datapoints linked to [GDR-A] in line with EFRAG decision.
(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and/or end-users and how it tracks effectiveness in practice; and	<u>(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and/or end-users and how it tracks effectiveness in practice; and</u>	

<p>(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and/or end-users.</p>	<p>(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and/or end-users.</p>	
<p>34. The undertaking shall disclose whether and how it takes action to avoid causing or contributing to material negative impacts on consumers and/or end-users through its own practices, including, where relevant, in relation to marketing, sales and data use. This may include disclosing what approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.</p>	<p>34. The undertaking shall disclose whether and how it takes action to avoid causing or contributing to material negative impacts on consumers and/or end-users through its own practices, including, where relevant, in relation to marketing, sales and data use. This may include disclosing what approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.</p>	<p>[DELETED]</p> <p>Simplification of topical datapoints linked to [GDR-A] in line with EFRAG decision. Tensions arising with business pressures (for example, in procurement or sales) are now covered in [13] (a).</p>
<p>35. When preparing this disclosure, the undertaking shall consider whether severe human rights issues and incidents connected to its consumers and/or end-users have been reported and, if applicable, disclose these (119).</p>	<p><u>14. 35. When preparing this disclosure For the sub-topics assessed as material for this Standard, subject to relevant privacy regulation, the undertaking shall consider disclose whether severe human rights issues and incidents connected to its consumers and/or end-users identified in the reporting period.² have been reported and, if applicable, disclose these (119).</u></p>	<p>[AMENDED]</p> <p>Amended to reflect the additional clarification of privacy regulation based on input from information gathering. Reference also added to reflect similar reference in new [S1-16].</p> <p>Clarified in alignment with new [S1-16] and feedback from public consultation that the incidents are those identified "in the reporting period".</p> <p>This is an EU SFDR PAI.</p>
<p>36. Where the undertaking evaluates the effectiveness of an action by setting a target, in disclosing the information required under paragraph 32 (c), the undertaking shall consider ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</p>	<p>36. Where the undertaking evaluates the effectiveness of an action by setting a target, in disclosing the information required under paragraph 32 (c), the undertaking shall consider ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</p>	<p>[DELETED]</p> <p>This is covered by ESRS 2 [GDR-A]</p> <p>New S4-4 also consolidates references on targets.</p>

37. The undertaking shall disclose what resources are allocated to the management of its material impacts with information that enables users to gain an understanding of how the material impacts are managed.	37. The undertaking shall disclose what resources are allocated to the management of its material impacts with information that enables users to gain an understanding of how the material impacts are managed.	[DELETED] This is covered by ESRS 2 [GDR-A]
Metrics and Targets		
Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Disclosure Requirement S4-45 – Targets related to consumers and end-users managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
38. The undertaking shall disclose the time-bound and outcome-oriented targets it may have set related to:	38. The undertaking shall disclose the time-bound and outcome-oriented targets it may have set related to:	[DELETED] Deleted to eliminate overlap with [GDR-T].
(a) reducing negative impacts on consumers and/or end-users; and/or	(a) reducing negative impacts on consumers and/or end-users; and/or	
b) advancing positive impacts on consumers and/or end-users; and/or	b) advancing positive impacts on consumers and/or end-users; and/or	
(c) managing material risks and opportunities related to consumers and/or end-users.	(c) managing material risks and opportunities related to consumers and/or end-users.	
39. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking is using time-bound and outcome-oriented targets to drive and measure progress in addressing material negative impacts, and/or advancing positive impacts on consumers and/or end-users, and/or in managing material risks and opportunities related to consumers and/or end-users.	39. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking is using time-bound and outcome-oriented targets to drive and measure progress in addressing material negative impacts, and/or advancing positive impacts on consumers and/or end-users, and/or in managing material risks and opportunities related to consumers and/or end-users.	[DELETED] Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort to eliminate overlaps between ESRS 2 and topical standards.

40. The summarised description of the targets to manage its material impacts, risks and opportunities related to consumers and/or end-users shall contain the information requirements defined in ESRS 2 MDR-T.	<u>15-40. The summarised description of the targets to manage its material impacts, risks and opportunities related to consumers and/or end-users shall contain the information requirements defined in ESRS 2 MDR-T.</u>	[AMENDED] General approach: DR 4 is the result of the reduction of several datapoints and ARs in Set 1 DR 5 (targets) to simplify disclosure and better connect targets and metrics with the tracking and assessment of the effectiveness of actions.
41. The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with consumers and/or end-users, their legitimate representatives, or with credible proxies that have insight into their situation in:	41. The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with consumers and/or end-users, their legitimate representatives, or with credible proxies that have insight into their situation in:	[AMENDED, MOVED] Amended and consolidated for the various aspects of target setting that can involve affected stakeholders in new [AR 9].
(a) setting any such targets;	(a) setting any such targets;	[MOVED]
(b) tracking the undertaking's performance against them; and	(b) tracking the undertaking's performance against them; and	Moved to [AR 9] for clarity.
(c) identifying, if any, lessons or improvements as a result of the undertaking's performance.	(c) identifying, if any, lessons or improvements as a result of the undertaking's performance.	

Appendix A Application Requirements

Objective	Objective	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
AR 1. The undertaking may highlight special issues relevant to a material impact for a shorter period of time, for instance initiatives regarding the health and safety of consumers and/or end-users in relation to contamination of a product or severe breach of privacy due to a massive data leak.	AR 1. The undertaking may highlight special issues relevant to a material impact for a shorter period of time, for instance initiatives regarding the health and safety of consumers and/or end-users in relation to contamination of a product or severe breach of privacy due to a massive data leak.	[DELETED] Deleted for simplification based on EFRAG decision and information gathering input.
AR 2. The overview of social and human rights matters provided in paragraph 2 is not meant to	AR 2. The overview of social and human rights matters provided in paragraph 2 is not meant to imply that all of	

<p>imply that all of these issues should be disclosed in each Disclosure Requirement in this Standard. Rather, it provides a list of matters that the undertaking shall consider in its materiality assessment (ref. to ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures and ESRS 2 IRO-1) related to consumers and/or end-users and, subsequently, disclose as material impacts, risks and opportunities within the scope of this Standard.</p>	<p>these issues should be disclosed in each Disclosure Requirement in this Standard. Rather, it provides a list of matters that the undertaking shall consider in its materiality assessment (ref. to ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures and ESRS 2 IRO-1) related to consumers and/or end-users and, subsequently, disclose as material impacts, risks and opportunities within the scope of this Standard.</p>	
<p>ESRS 2 – General Disclosures</p> <p>Strategy</p>		
<p>Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders</p>	<p>Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders</p>	<p>Comment/Explanation</p>
<p>ESRS as enacted in 2023</p> <p>AR 3. ESRS 2 SBM-2 requires the undertaking to provide an understanding of if and how it considers whether its strategy and business model play a role in creating, exacerbating or (conversely) mitigating significant material impacts on consumers and/or end-users, and whether and how the business model and strategy are adapted to address such material impacts.</p>	<p>Draft Amended ESRS</p> <p>AR 3. ESRS 2 SBM-2 requires the undertaking to provide an understanding of if and how it considers whether its strategy and business model play a role in creating, exacerbating or (conversely) mitigating significant material impacts on consumers and/or end-users, and whether and how the business model and strategy are adapted to address such material impacts.</p>	<p>[DELETED]</p> <p>Deleted for simplification based on EFRAG decision and information gathering input.</p>
<p>AR 4. While consumers and/or end-users may not be engaging with the undertaking at the level of its strategy or business model, their views can inform the undertaking's assessment of its strategy and business model. The undertaking may disclose the views of the (actual or potential) materially affected consumers and/or end-users' legitimate representatives or those of credible proxies that have insight into their situation.</p>	<p>AR 4. While consumers and/or end-users may not be engaging with the undertaking at the level of its strategy or business model, their views can inform the undertaking's assessment of its strategy and business model. The undertaking may disclose the views of the (actual or potential) materially affected consumers and/or end-users' legitimate representatives or those of credible proxies that have insight into their situation.</p>	<p>[DELETED]</p> <p>Deleted for simplification based on EFRAG decision and information gathering input.</p>

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
<p>AR 5. Impacts on consumers and/or end-users can originate in the undertaking's business model or strategy in a number of different ways. For example, impacts may relate to the undertaking's value proposition (for example, providing online platforms with potential for online and offline harm), its value chain (for example, speed in developing products or services, or delivering projects, with risks to health and safety), or its cost structure and the revenue model (for example, sales-maximising incentives that put consumers at risk).</p>	<p>AR 5. Impacts on consumers and/or end-users can originate in the undertaking's business model or strategy in a number of different ways. For example, impacts may relate to the undertaking's value proposition (for example, providing online platforms with potential for online and offline harm), its value chain (for example, speed in developing products or services, or delivering projects, with risks to health and safety), or its cost structure and the revenue model (for example, sales-maximising incentives that put consumers at risk).</p>	<p>[DELETED]</p> <p>Deleted for simplification based on EFRAG decision and information gathering input.</p>
<p>AR 6. Impacts on consumers and/or end-users that originate in the strategy or business model can also bring material risks to the undertaking. For example, if the undertaking's business model is premised on incentivising its sales force to sell high volumes of a product or service (for example, credit cards or pain medicine) at speed, and this results in large-scale harm to consumers, the undertaking may face lawsuits and reputational damage affecting its future business and credibility.</p>	<p>AR 6. Impacts on consumers and/or end-users that originate in the strategy or business model can also bring material risks to the undertaking. For example, if the undertaking's business model is premised on incentivising its sales force to sell high volumes of a product or service (for example, credit cards or pain medicine) at speed, and this results in large-scale harm to consumers, the undertaking may face lawsuits and reputational damage affecting its future business and credibility.</p>	
<p>AR 7. Examples of particular characteristics of consumers and/or end-users that may be considered by the undertaking when responding to paragraph 11 include young consumers and/or end-users who may be more susceptible to impacts on their physical and mental development, or who lack financial literacy and may be more susceptible to</p>	<p>AR 7. Examples of particular characteristics of consumers and/or end-users that may be considered by the undertaking when responding to paragraph 11 include young consumers and/or end-users who may be more susceptible to impacts on their physical and mental development, or who lack financial literacy and may be more susceptible to exploitative sales or marketing practices. They may also include women in a</p>	

exploitative sales or marketing practices. They may also include women in a context where women are routinely discriminated against in their access to particular services or in the marketing of particular products.	context where women are routinely discriminated against in their access to particular services or in the marketing of particular products.	
AR 8. With regard to paragraph 12, the risks could arise because of the undertaking's dependency on consumers and/or end-users where low likelihood but high impact events may trigger financial effects, for example, where a global pandemic leads to severe impacts on certain consumers' livelihoods resulting in major changes in patterns of consumption.	AR 8. With regard to paragraph 12, the risks could arise because of the undertaking's dependency on consumers and/or end-users where low likelihood but high impact events may trigger financial effects, for example, where a global pandemic leads to severe impacts on certain consumers' livelihoods resulting in major changes in patterns of consumption.	
Impact, risk and opportunity management		
<i>Disclosure Requirement S4-1 – Policies related to consumers and end-users</i>	<i>Disclosure Requirement S4-1 – Policies related to consumers and end-users</i>	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
AR 9. The description shall include the key information necessary to ensure a faithful representation of the policies in relation to consumers and end-users, and therefore, the undertaking shall consider explanations of significant changes to the policies adopted during the reporting year (for example, new expectations for business customers, new or additional approaches to due diligence and remedy).	AR 9. The description shall include the key information necessary to ensure a faithful representation of the policies in relation to consumers and end-users, and therefore, the undertaking shall consider explanations of significant changes to the policies adopted during the reporting year (for example, new expectations for business customers, new or additional approaches to due diligence and remedy).	[DELETED] Deemed not essential in line with simplification decision of EFRAG.
AR 10. The policy may take the form of a stand-alone policy regarding consumers and/or end users or be included in a broader document such as a code of ethics or a general sustainability policy that has already been disclosed by the undertaking as part of another ESRS. In those cases, the undertaking shall	AR 10. The policy may take the form of a stand-alone policy regarding consumers and/or end users or be included in a broader document such as a code of ethics or a general sustainability policy that has already been disclosed by the undertaking as part of another ESRS. In those cases, the undertaking shall provide an accurate cross reference to identify the aspects of the	[DELETED] Deemed not essential and because 'policy' is already defined in Glossary.

provide an accurate cross-reference to identify the aspects of the policy that satisfy the requirements of this Disclosure Requirement.	policy that satisfy the requirements of this Disclosure Requirement.	
AR 11. In disclosing its alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it, and may disclose its alignment with these instruments	AR 11. In disclosing its alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it, and may disclose its alignment with these instruments	[MOVED] Moved to ESRS 2 [GDR-P] [AR 35]
AR 12. When disclosing how external facing policies are embedded, the undertaking may, for example, consider internal-facing sales and distribution policies and alignment with other policies relevant to consumers and/or end-users. The undertaking shall also consider its policies for safeguarding the veracity and usefulness of information provided to potential and actual consumers and/or end-users, both before and after sale.	AR 12. When disclosing how external facing policies are embedded, the undertaking may, for example, consider internal-facing sales and distribution policies and alignment with other policies relevant to consumers and/or end users. The undertaking shall also consider its policies for safeguarding the veracity and usefulness of information provided to potential and actual consumers and/or end users, both before and after sale.	[DELETED] Deleted for simplification based on EFRAG decision and information gathering input.
AR 13. The undertaking may provide an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees, contractors and suppliers), or because they have a direct interest in their implementation (for example, own workers, investors). It may disclose communication tools and channels (for example, flyers, newsletters, dedicated websites,	AR 1. 13. The undertaking may provide an illustration of the types Examples of policy aspects to disclose are the means of communication of the undertaking uses to communicate its policies to those the individuals, groups of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees, contractors and suppliers), or because they have a direct interest in their implementation. (for example, own workers, investors) It may disclose communication tools and channels (for example, flyers,	[AMENDED] Editorial changes made for consistency in line with the EFRAG decision on simplification and ensuring guidance materials and remaining content might be considered by EFRAG as future non mandatory guidance.

<p>social media, face to face interactions, workers' representatives), aimed at ensuring that the policy is accessible and that different audiences understand its implications. The undertaking may also explain how it identifies and removes potential barriers for dissemination, such as through translation into relevant languages or the use of graphic depictions.</p>	<p>newsletters, dedicated websites, social media, face to face interactions, workers' representatives), aimed at ensuring that the policy is accessible and that different audiences understand its implications. The undertaking may also explain how it identifies and removes potential barriers for dissemination, such as through translation into relevant languages or the use of graphic depictions.</p>	
<p><i>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</i></p>	<p><i>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</i> <i><u>Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy</u></i></p>	<p>Comment/Explanation</p>
<p>ESRS as enacted in 2023</p> <p>AR 14. Credible proxies who have knowledge of the interests, experiences or perspectives of consumers and end-users could include national consumer protection bodies for some consumers.</p>	<p>Draft Amended ESRS</p> <p>AR 14. Credible proxies who have knowledge of the interests, experiences or perspectives of consumers and end-users could include national consumer protection bodies for some consumers.</p>	<p>[DELETED]</p> <p>Content might be considered by EFRAG as future non mandatory guidance.</p>
<p>AR 15. When describing which function or role has operational responsibility for such engagement and/or ultimate accountability, the undertaking may disclose whether this is a dedicated role or function or part of a broader role or function, and whether any capacity building activities have been offered to support the staff to undertake engagement. If it cannot identify such a position or function, it may state that this is the case. This disclosure could also be fulfilled by making reference to information disclosed according to ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies.</p>	<p>AR 15. When describing which function or role has operational responsibility for such engagement and/or ultimate accountability, the undertaking may disclose whether this is a dedicated role or function or part of a broader role or function, and whether any capacity building activities have been offered to support the staff to undertake engagement. If it cannot identify such a position or function, it may state that this is the case. This disclosure could also be fulfilled by making reference to information disclosed according to ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies.</p>	<p>[DELETED]</p> <p>Examples and granularity of AR considerations has been removed.</p>

AR 16. When preparing the disclosures described in paragraph 20 b) and c), the following illustrations may be considered:	AR 16. When preparing the disclosures described in paragraph 20 b) and c), the following illustrations may be considered:	[DELETED] Deemed not essential in line with simplification decision of EFRAG.
(a) for stage(s) at which engagement occurs, examples could be in determining mitigation approaches or in evaluating their effectiveness;	(a) for stage(s) at which engagement occurs, examples could be in determining mitigation approaches or in evaluating their effectiveness;	[DELETED] Deemed not essential in line with simplification decision of EFRAG.
(b) for type of engagement, these could be participation, consultation and/or information;	AR 2. (b) for type of engagement, these could be participation, consultation and/or information; with consumers and/or end-users can take different forms, such as information sessions, consultation or participation, and take place at different intervals.	[AMENDED] Amended in new [AR 2].
(c) for the frequency of the engagement, information may be provided on whether engagement occurs on a regular basis, at certain points in a project or business process, as well as whether it occurs in response to legal requirements and/or in response to stakeholder requests and whether the result of the engagement is being integrated into the undertaking's decision-making processes; and	(c) for the frequency of the engagement, information may be provided on whether engagement occurs on a regular basis, at certain points in a project or business process, as well as whether it occurs in response to legal requirements and/or in response to stakeholder requests and whether the result of the engagement is being integrated into the undertaking's decision-making processes; and	[AMENDED] Reference to engagement taking place at different intervals in new [AR 2].
(d) for the role with operational responsibility, whether the undertaking requires relevant staff to have certain skills, or whether it provides training or capacity building to relevant staff to undertake engagement.	(d) for the role with operational responsibility, whether the undertaking requires relevant staff to have certain skills, or whether it provides training or capacity building to relevant staff to undertake engagement.	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 17. To illustrate how the perspectives of consumers and/or end-users have informed specific decisions or activities of the undertaking, the undertaking may provide examples from the current reporting period.	AR 17. To illustrate how the perspectives of consumers and/or end-users have informed specific decisions or activities of the undertaking, the undertaking may provide examples from the current reporting period.	[DELETED] Deemed not essential in line with simplification decision of EFRAG.

Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
AR 18. In fulfilling the requirements set out by the disclosure criteria of ESRS S4-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises focused on remediation and grievance mechanisms.	AR 18. In fulfilling the requirements set out by the disclosure criteria of ESRS S4-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises focused on remediation and grievance mechanisms.	[MOVED] Moved to ESRS S4-2 [AR 3]
AR 19. Channels for raising concerns or needs, include grievance mechanisms, hotlines, dialogue processes or other means through which consumers and/or end-users or their legitimate representatives can raise concerns about impacts or explain needs that they would like the undertaking to address. This could include channels provided by the undertaking directly and is to be disclosed in addition to any other mechanisms the undertaking may use to gain insight into the management of impacts on consumers and/or end-users, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that.	AR 19. Channels for raising concerns or needs, include grievance mechanisms, hotlines, dialogue processes or other means through which consumers and/or end-users or their legitimate representatives can raise concerns about impacts or explain needs that they would like the undertaking to address. This could include channels provided by the undertaking directly and is to be disclosed in addition to any other mechanisms the undertaking may use to gain insight into the management of impacts on consumers and/or end-users, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that.	[AMENDED, MOVED] The definition was agreed and moved to glossary. Editorial changes to definition to enhance understanding, reference to whistleblowing mechanisms was clarified as well as articulation between channels to raise concerns or needs and remedies.
AR 20. To provide greater insight into the information covered in ESRS S4-3, the undertaking may provide insight into whether and how consumers and/or end-users that may be affected are able to access channels at the	AR 20. To provide greater insight into the information covered in ESRS S4-3, the undertaking may provide insight into whether and how consumers and/or end-users that may be affected are able to access channels at the level of the undertaking they are affected by, in relation to each material impact.	[DELETED] Deleted in line with EFRAG decision to merge former ESRS S4-2 and ESRS S4-3.

level of the undertaking they are affected by, in relation to each material impact.		
AR 21. Third party mechanisms could include those operated by the government, NGOs, industry associations and other collaborative initiatives. With regard to the scope of these mechanisms, the undertaking may disclose whether these are accessible to all consumers and/or end-users who may be potentially or actually materially impacted by the undertaking, or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts, and through which consumers and/or end-users (or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts), can raise complaints or concerns related to the undertaking's own activities.	AR 21. Third party mechanisms could include those operated by the government, NGOs, industry associations and other collaborative initiatives. With regard to the scope of these mechanisms, the undertaking may disclose whether these are accessible to all consumers and/or end-users who may be potentially or actually materially impacted by the undertaking, or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts, and through which consumers and/or end-users (or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts), can raise complaints or concerns related to the undertaking's own activities.	[AMENDED, MOVED] The definition was agreed and moved to glossary.
AR 22. In relation to the protection of individuals that use the mechanisms against the retaliation, the undertaking may describe whether it treats grievances confidentially and with respect to the rights of privacy and data protection; and whether they allow for consumer and/or end-users to use them anonymously (for example, through representation by a third party).	AR 22. In relation to the protection of individuals that use the mechanisms against the retaliation, the undertaking may describe whether it treats grievances confidentially and with respect to the rights of privacy and data protection; and whether they allow for consumer and/or end-users to use them anonymously (for example, through representation by a third party).	[DELETED] Content might be considered by EFRAG as future non-mandatory guidance.
AR 23. In disclosing whether and how the undertaking knows that consumers and/or end-users are aware of and trust any of these channels, the undertaking may provide relevant and reliable data about the effectiveness of these channels from the perspective of consumers and/or end-users themselves.	AR 23. In disclosing whether and how the undertaking knows that consumers and/or end-users are aware of and trust any of these channels, the undertaking may provide relevant and reliable data about the effectiveness of these channels from the perspective of consumers and/or end-users themselves. Examples of sources of information are surveys of consumers and/or	[AMENDED, MOVED] The criteria for assessing the effectiveness of the channels are included in new [AR 3] by way of reference to the "effectiveness criteria for non-judicial grievance mechanisms", as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.

<p>Examples of sources of information are surveys of consumers and/or end-users that have used such channels and their levels of satisfaction with the process and outcomes. To illustrate the usage level of such channels, the undertaking may disclose the number of complaints received from consumers and/or end-users during the reporting period.</p>	<p>end users that have used such channels and their levels of satisfaction with the process and outcomes. To illustrate the usage level of such channels, the undertaking may disclose the number of complaints received from consumers and/or end users during the reporting period.</p>	
<p>AR 24. In describing the effectiveness of channels for consumers and/or end-users to raise concerns, the undertaking may be guided by the following questions, based on the “effectiveness criteria for non-judicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights. The below considerations may be applied on an individual channel basis or for the collective system of channels:</p>	<p><u>AR 3. 24. In describing the effectiveness of channels for consumers and/or end users to raise concerns, the undertaking may be guided by the following questions, based on the ‘effectiveness criteria for non-judicial grievance mechanisms’, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31, can be used for assessing the effectiveness of the channels. The below considerations may be applied on an individual channel basis or for the collective system of channels:</u></p> <p><u>If the undertaking has policies for protecting individuals that use these channels against retaliation, and they are disclosed under ESRS G1-1, the undertaking may refer to that disclosure.</u></p>	<p>[AMENDED]</p> <p>Cross-reference added to G1-1. In line with input from information gathering and EFRAG decision, former [AR 24] was reduced as the criteria for assessing the effectiveness of the channels are included in new [AR 3] by way of reference to the “effectiveness criteria for non-judicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p> <p>[26] amended, also reflecting former [AR 22].</p>
<p>(a) do the channels hold legitimacy by providing appropriate accountability for their fair conduct and building stakeholder trust?</p>	<p>(a) do the channels hold legitimacy by providing appropriate accountability for their fair conduct and building stakeholder trust?</p>	<p>[DELETED]</p> <p>The criteria for assessing the effectiveness of the channels are included in new [AR 3] by way of reference to the “effectiveness criteria for non-judicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights, in particular Principle 31.</p>
<p>(b) are the channels known and accessible to stakeholders?</p>	<p>(b) are the channels known and accessible to stakeholders?</p>	<p>[DELETED]</p>

		Examples of questions to assess the effectiveness of channels removed.
(c) do the channels have known procedures, set timeframes and clarity on the processes?	(e) do the channels have known procedures, set timeframes and clarity on the processes?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
(d) do the channels ensure reasonable access to sources of information, advice and expertise?	(d) do the channels ensure reasonable access to sources of information, advice and expertise?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
(e) do the channels offer transparency by providing sufficient information both to complainants and where applicable, to meet any public interest at stake?	(e) do the channels offer transparency by providing sufficient information both to complainants and where applicable, to meet any public interest at stake?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
(f) do the outcomes achieved from the channels accord with internationally recognised human rights?	(f) do the outcomes achieved from the channels accord with internationally recognised human rights?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
(g) does the undertaking identify insights from the channels that support continuous learning in both improving the channels and preventing future impacts?	(g) does the undertaking identify insights from the channels that support continuous learning in both improving the channels and preventing future impacts?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
(h) does the undertaking focus on dialogue with complainants as the means to reach agreed solutions, rather than seeking to unilaterally determine the outcome?	(h) does the undertaking focus on dialogue with complainants as the means to reach agreed solutions, rather than seeking to unilaterally determine the outcome?	[DELETED] Examples of questions to assess the effectiveness of channels removed.
For more information, see Principle 31 of the UN Guiding Principles on Business and Human Rights.	For more information, see Principle 31 of the UN Guiding Principles on Business and Human Rights.	[DELETED] Examples of questions to assess the effectiveness of channels removed.
<i>Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks</i>	<i>Disclosure Requirement S4-34 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing</i>	Comment/Explanation

<i>and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</i>	<i>material opportunities related to consumers and end-users, and effectiveness of those actions Actions and resources related to consumers and end-users</i>	
ESRS as enacted in 2023	Draft Amended ESRS	
AR 25. It may take time to understand negative impacts and how the undertaking may be involved with them through its downstream value chain, as well as to identify appropriate responses and put them into practice). Therefore, the undertaking shall consider:	AR 25. It may take time to understand negative impacts and how the undertaking may be involved with them through its downstream value chain, as well as to identify appropriate responses and put them into practice). Therefore, the undertaking shall consider:	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
(a) Its general and specific approaches to addressing material negative impacts;	(a) Its general and specific approaches to addressing material negative impacts;	[DELETED] Duplications with ESRS 2 [GDR-A]
(b) its initiatives aimed at contributing to additional material positive impacts.	(b) its initiatives aimed at contributing to additional material positive impacts;	[DELETED] Duplications with ESRS 2 [GDR-A]
(c) how far it has progressed in its efforts during the reporting period; and	(c) how far it has progressed in its efforts during the reporting period; and	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
(d) its aims for continued improvement.	(d) its aims for continued improvement.	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
AR 26. Appropriate action can vary according to whether the undertaking causes or contributes to a material impact, or whether the material impact is directly linked to its own operations, products or services through a business relationship.	<u>AR 4. AR 26. Appropriate action can vary according to whether the undertaking causes or contributes to a material impact, or whether the material impact is directly linked to its own operations, products or services through a business relationship.</u> <u>The actions taken by the undertaking differ depending on its connection to the impact (causation, contribution, direct linkage), and how it has identified the actions as appropriate for addressing material impacts.</u>	[AMENDED] Consolidated former [AR 26] and [AR 27] into Amended [AR 4].

	<p><u>This disclosure requirement also applies to key actions to provide, cooperate in, or enable remediation in cases of actual negative impacts. Key actions to prevent, mitigate or remediate impacts include the use of different types of leverage and/or collective actions taken through multi-stakeholder and/or industry initiatives.</u></p>	
<p>AR 27. Given that material negative impacts affecting consumers and/or end-users that have occurred during the reporting period may also be linked to entities or operations outside its direct control, the undertaking may disclose whether and how it seeks to use leverage with relevant business relationships to manage those impacts. This may include using commercial leverage (for example, enforcing contractual requirements with business relationships or implementing incentives), other forms of leverage within the relationship (such as providing training or capacity-building on proper product use or sale practices to business relationships) or collaborative leverage with peers or other actors (such as initiatives aimed at responsible marketing or product safety).</p>	<p>AR 27. Given that material negative impacts affecting consumers and/or end-users that have occurred during the reporting period may also be linked to entities or operations outside its direct control, the undertaking may disclose whether and how it seeks to use leverage with relevant business relationships to manage those impacts. This may include using commercial leverage (for example, enforcing contractual requirements with business relationships or implementing incentives), other forms of leverage within the relationship (such as providing training or capacity-building on proper product use or sale practices to business relationships) or collaborative leverage with peers or other actors (such as initiatives aimed at responsible marketing or product safety).</p>	<p>[DELETED]</p> <p>Partially merged with former [AR 26] and partially reflected in new [AR 4] (on leverage and collective actions). Based on EFRAG decision to enhance clarity and remove voluntary datapoints and enhance guidance.</p>
<p>AR 28. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own involvement, is aiming to address the material impact concerned. It may disclose under ESRS S4-5 the relevant targets set by the initiative and progress towards them.</p>	<p>AR 28. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own involvement, is aiming to address the material impact concerned. It may disclose under ESRS S4-5 the relevant targets set by the initiative and progress towards them.</p>	<p>[MOVED]</p> <p>Moved to ESRS 2 [GDR-A] [AR 37]. Also mentioned in [AR 4] above.</p>

AR 29. When disclosing whether and how it considers actual and potential impacts on consumers and/or end-users in decisions to terminate business relationships and whether and how it seeks to address any negative impacts that may result from termination, the undertaking may include examples.	AR 29. When disclosing whether and how it considers actual and potential impacts on consumers and/or end-users in decisions to terminate business relationships and whether and how it seeks to address any negative impacts that may result from termination, the undertaking may include examples.	[DELETED] Deleted based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 30. In disclosing how it tracks the effectiveness of actions to manage material impacts during the reporting period, the undertaking may disclose any lessons learned from the previous and current reporting periods.	AR 30. In disclosing how it tracks the effectiveness of actions to manage material impacts during the reporting period, the undertaking may disclose any lessons learned from the previous and current reporting periods.	[AMENDED, MOVED] The tracking of the effectiveness of actions is included in new [13](b) and new [AR 9] on tracking performance in relation to targets.
AR 31. Processes used to track the effectiveness of actions can include internal or external auditing or verification, court proceedings and/or related court decisions, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.	AR 31. Processes used to track the effectiveness of actions can include internal or external auditing or verification, court proceedings and/or related court decisions, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
AR 32. Reporting on effectiveness is aimed at enabling the understanding of the links between actions taken by the undertaking and the effective management of impacts.	AR 32. Reporting on effectiveness is aimed at enabling the understanding of the links between actions taken by the undertaking and the effective management of impacts.	[DELETED] Relationship about changes in the number of incidents reported and effectiveness of channels and actions described in ESRS S4-3 [AR 8].
AR 33. With regard to initiatives or processes the undertaking has in place that are based on affected consumers and/or end-users' needs and their level of implementation, the undertaking may disclose:	AR 33. With regard to initiatives or processes the undertaking has in place that are based on affected consumers and/or end-users' needs and their level of implementation, the undertaking may disclose:	[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints. Content might be considered by EFRAG as future non-mandatory guidance.

<p>(a) information about whether and how consumers and/or end-users and legitimate representatives or their credible proxies play a role in decisions regarding the design and implementation of these programmes or processes; and</p>	<p>(a) information about whether and how consumers and/or end users and legitimate representatives or their credible proxies play a role in decisions regarding the design and implementation of these programmes or processes; and</p>	<p>[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints. Content might be considered by EFRAG as future non-mandatory guidance.</p>
<p>(b) information about the intended or achieved positive outcomes for consumers and/or end-users of these programmes or processes.</p>	<p>(b) information about the intended or achieved positive outcomes for consumers and/or end users of these programmes or processes.</p>	<p>[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints. Content might be considered by EFRAG as future non-mandatory guidance.</p>
<p>AR 34. The undertaking may disclose whether any initiatives or processes whose primary aim is to deliver positive impacts for consumers and/or end-users are designed to also support the achievement of one or more of the UN Sustainable Development Goals (SDGs). For example, through a commitment to advance UN SDG 3 to “ensure healthy lives and promote well-being for all at all ages” the undertaking may be actively working to make its products less addictive and harmful to physical and psychological health.</p>	<p>AR 34. The undertaking may disclose whether any initiatives or processes whose primary aim is to deliver positive impacts for consumers and/or end users are designed to also support the achievement of one or more of the UN Sustainable Development Goals (SDGs). For example, through a commitment to advance UN SDG 3 to “ensure healthy lives and promote well-being for all at all ages” the undertaking may be actively working to make its products less addictive and harmful to physical and psychological health.</p>	<p>[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints.</p>
<p>AR 35. When disclosing the intended positive outcomes of its actions for consumers and/or end-users a distinction is to be made between evidence of certain activities having occurred (for example, that x number of consumers have received information about healthy eating habits) from evidence of actual outcomes for consumers and/or end-users (for example, that x number of consumers have adopted healthier eating habits).</p>	<p>AR 35. When disclosing the intended positive outcomes of its actions for consumers and/or end users a distinction is to be made between evidence of certain activities having occurred (for example, that x number of consumers have received information about healthy eating habits) from evidence of actual outcomes for consumers and/or end users (for example, that x number of consumers have adopted healthier eating habits).</p>	<p>[DELETED] Based on EFRAG decision to enhance clarity and remove voluntary datapoints. Content might be considered by EFRAG as future non-mandatory guidance.</p>

<p>AR 36. When disclosing whether initiatives or processes also play a role in mitigating material negative impacts, the undertaking may, for example, consider programmes that aim to support heightened awareness of the risk of online scams, leading to a reduction in the number of cases of end-users experiencing breaches of data privacy.</p>	<p>AR 36. When disclosing whether initiatives or processes also play a role in mitigating material negative impacts, the undertaking may, for example, consider programmes that aim to support heightened awareness of the risk of online scams, leading to a reduction in the number of cases of end-users experiencing breaches of data privacy.</p>	<p>[DELETED]</p> <p>Based on EFRAG decision to enhance clarity and remove voluntary datapoints.</p>
<p>AR 37. When disclosing the material risks and opportunities related to the undertaking's impacts or dependencies on consumers and/or end-users, the undertaking may consider the following:</p>	<p>AR 37. When disclosing the material risks and opportunities related to the undertaking's impacts or dependencies on consumers and/or end-users, the undertaking may consider the following:</p>	<p>[DELETED]</p> <p>Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.</p>
<p>(a) risks related to the undertaking's impacts on consumers and/or end-users may include reputational or legal exposure where poorly designed or defective products result in injuries or deaths;</p>	<p>(a) risks related to the undertaking's impacts on consumers and/or end-users may include reputational or legal exposure where poorly designed or defective products result in injuries or deaths;</p>	
<p>(b) risks related to the undertaking's dependencies on consumers and/or end-users may include the loss of business continuity where an economic crisis makes consumers unable to afford certain products or services;</p>	<p>(b) risks related to the undertaking's dependencies on consumers and/or end-users may include the loss of business continuity where an economic crisis makes consumers unable to afford certain products or services;</p>	
<p>(c) business opportunities related to the undertaking's impacts on consumers and/or end-users may include market differentiation and greater customer appeal from offering safe products or privacy-respecting services; and</p>	<p>(c) business opportunities related to the undertaking's impacts on consumers and/or end-users may include market differentiation and greater customer appeal from offering safe products or privacy-respecting services; and</p>	
<p>(d) business opportunities related to the undertaking's dependencies on consumers and/or end-users may include the achievement</p>	<p>(d) business opportunities related to the undertaking's dependencies on consumers and/or end-users may include the achievement of a loyal future consumer</p>	

of a loyal future consumer base by ensuring, for example, that LGBTQI people are respected and that the undertaking's selling practices do not exclude such people from the products or services it offers.	base by ensuring, for example, that LGBTQI people are respected and that the undertaking's selling practices do not exclude such people from the products or services it offers.	
AR 38. When disclosing whether dependencies turn into risks, the undertaking shall consider external developments.	AR 38. When disclosing whether dependencies turn into risks, the undertaking shall consider external developments.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 39. When disclosing policies, action and resources and targets related to the management of material risks and opportunities, in cases where risks and opportunities arise from a material impact, the undertaking may cross-reference its disclosures on policies, action and resources and targets in relation to that impact.	AR 39. When disclosing policies, action and resources and targets related to the management of material risks and opportunities, in cases where risks and opportunities arise from a material impact, the undertaking may cross-reference its disclosures on policies, action and resources and targets in relation to that impact.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 40. The undertaking shall consider the extent to which its processes to manage material risks related to consumers and/or end-users are integrated into its existing risk management processes and how.	AR 40. The undertaking shall consider the extent to which its processes to manage material risks related to consumers and/or end-users are integrated into its existing risk management processes and how.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
AR 41. When disclosing the resources allocated to the management of material impacts, the undertaking may disclose which internal functions are involved in managing the impacts and what types of action they take to address negative and advance positive impacts.	AR 41. When disclosing the resources allocated to the management of material impacts, the undertaking may disclose which internal functions are involved in managing the impacts and what types of action they take to address negative and advance positive impacts.	[DELETED] Based on EFRAG decision to streamline voluntary datapoints and enhance clarity.
	AR 5. The human rights incidents in scope for this disclosure are those that relate to not respecting internationally recognised human rights as defined in CSRD Art. 29b (2) (b) (iii). These incidents are understood as the substantiated instances of:	[NEW] Definition of "human rights incidents" added to clarify the concept and act as a first filter for incidents to be disclosed.

	<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>(b) incidents registered by the undertaking, including those it identified through its internal processes.</p>	
	<p><u>AR 6. When applying the filter of information materiality (paragraph 23 of ESRS 1 General Requirements) to the information about incidents referred to under paragraph 14, the undertaking's assessment is primarily based on the severity of the impacts on consumers and end-users.</u></p>	<p>[NEW]</p> <p>Additional filtering process (materiality of information and severity of the impacts) to guide preparers in the human rights incidents to be disclosed.</p>
	<p><u>AR 7. The undertaking is not expected to disclose a list of each human rights incident, and may aggregate the information provided, such as by relevant types of incidents and/or consumers and end-users affected.</u></p>	<p>[NEW]</p> <p>Information on the expected level of granularity of the disclosure and suggesting that this level is different than for the disclosure of "human rights incidents" covered in S1.</p>
	<p><u>AR 8. If the undertaking considers that changes in human rights incidents are relevant for understanding the effectiveness and availability of channels to raise concerns or needs, including grievance mechanisms, it may cross-reference paragraph 14 and paragraph 10.</u></p> <p><u>The way the undertaking has addressed or is addressing human rights incidents may be cross-referenced to information disclosed in accordance with paragraph 13.</u></p>	<p>[NEW]</p> <p>Allowing for appropriate cross references to avoid duplication in reporting in relation to 1) channels to raise concerns and needs and changes in incidents and 2) actions taken to address human rights incidents.</p>
Metrics and Targets		

<i>Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</i>	<i>Disclosure Requirement S4-45 – Targets related to consumers and end-users managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</i>	Comment/Explanation
ESRS as enacted in 2023	Draft Amended ESRS	
AR 42. When disclosing targets in relation to consumers and/or end-users, the undertaking may disclose:	AR 42. When disclosing targets in relation to consumers and/or end users, the undertaking may disclose:	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
(a) the intended outcomes to be achieved in the lives of consumers and/or end-users, being as specific as possible;	(a) the intended outcomes to be achieved in the lives of consumers and/or end users, being as specific as possible;	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
(b) their stability over time in terms of definitions and methodologies to enable comparability; and/or	(b) their stability over time in terms of definitions and methodologies to enable comparability; and/or	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
(c) references standards or commitments on which the targets are based are to be clearly defined in the reporting (for instance codes of conduct, sourcing policies, global frameworks or industry codes).	(c) references standards or commitments on which the targets are based are to be clearly defined in the reporting (for instance codes of conduct, sourcing policies, global frameworks or industry codes).	[DELETED] Content might be considered by EFRAG as future non mandatory guidance.
AR 43. Targets related to material risks and opportunities may be the same as or distinct from targets tied to material impacts. For example, a target to ensure equal access to finance for underserved consumers could both reduce discrimination impacts on those consumers and enlarge the undertaking's pool of customers.	AR 43. Targets related to material risks and opportunities may be the same as or distinct from targets tied to material impacts. For example, a target to ensure equal access to finance for underserved consumers could both reduce discrimination impacts on those consumers and enlarge the undertaking's pool of customers.	[DELETED] Based on EFRAG decision to enhance clarity. Content might be considered by EFRAG as future non mandatory guidance.

<p>AR 44. The undertaking may also distinguish between short, medium and long-term targets covering the same policy commitment. For example, the undertaking may have as a main objective to make its online services accessible to people with disabilities, with the long-term goal of having adapted 100% of its online services by 2025, and with the short-term objective of adding x number of accessible features every year up and until 2025.</p>	<p>AR 44. The undertaking may also distinguish between short, medium and long term targets covering the same policy commitment. For example, the undertaking may have as a main objective to make its online services accessible to people with disabilities, with the long-term goal of having adapted 100% of its online services by 2025, and with the short term objective of adding x number of accessible features every year up and until 2025.</p>	<p>[DELETED] Content might be considered by EFRAG as future non mandatory guidance.</p>
<p>AR 45. When modifying or replacing a target in the reporting period, the undertaking may explain the change by cross-referencing it to significant changes in the business model or to broader changes in the accepted standard or legislation from which the target is derived to provide contextual information as per ESRS 2 BP-2 Disclosures in relation to specific circumstances.</p>	<p>AR 45. When modifying or replacing a target in the reporting period, the undertaking may explain the change by cross-referencing it to significant changes in the business model or to broader changes in the accepted standard or legislation from which the target is derived to provide contextual information as per ESRS 2 BP-2 Disclosures in relation to specific circumstances.</p>	<p>[DELETED] Granularity removed from the AR.</p>
	<p><u>AR 9. Engagement with consumers and/or end-users, their legitimate representatives, or with credible proxies, can inform the undertaking's tracking and assessment of the effectiveness of its actions disclosed under paragraph 13 (b), including the development of metrics, target-setting and/or tracking of performance against those metrics and targets.</u> <u>In particular, in relation to the tracking of performance, such engagement can inform the understanding of the effectiveness of the undertaking's management of material negative impacts and the identification of lessons learnt or improvements.</u></p>	<p>[AMENDED] [41(b) and (c)] amended. New AR resulting from deleting former DR on engagement in relation to targets and moving some of its content in new [AR 9]. Better connecting the tracking of performance with effectiveness of actions and lessons learnt for improvement.</p>



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