



LOG OF AMENDMENTS

ESRS 2

GENERAL
DISCLOSURES



JULY 2025

 EFRAG

Log of Amendments by Standard – ESRS 2 *General disclosures*

Annex to the Basis for Conclusions – Illustration of the Amendments

Disclaimer: The Log of Amendments by Standard accompanies but is not part of the ESRS Amendments Exposure Drafts. It complements and should be read in conjunction with Chapter 7 of the Basis for Conclusions (BFC), where a summarised description of the main changes to individual 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 Chapter 7 of the Basis for Conclusions (BFC) where a summarised description of the main changes to individual Standards can be found.**
2. This document illustrates the Amendments at paragraph level in Amended ESRS 2 *General disclosures*
3. The starting point is the text of the 2023 Delegated Act, 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 an explanation of changes made to the DR (or Chapter for ESRS 2) using the following terminology: Amended, Unchanged, Merged, New or Deleted and moved to NMIG (where text has been deleted from mandatory content, but it is presented as illustration in NMIG).
6. The last column also includes additional explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 General disclosures	Comment/Rationale
1. This ESRS sets out the disclosure requirements that apply to all undertakings regardless of their sector of activity (i.e., sector agnostic) and apply across sustainability topics (i.e., cross-cutting). This ESRS covers the reporting areas defined in ESRS 1 General requirements section 1.2 Reporting areas and minimum content disclosure requirements on policies, actions, targets and metrics	1. (1 amended) This ESRS standard <u>ESRS 2 General disclosures</u> sets out the general disclosure requirements that apply to all undertakings regardless of their sector of activity (i.e., sector agnostic) and apply across sustainability topics (i.e. cross-cutting). <u>This ESRS 2 covers the reporting areas defined in ESRS 1 General requirements, section 1.12 Reporting areas and minimum content disclosure requirements on policies, actions, targets and metrics</u>	Amended Streamlined language
2. In the preparation of disclosures under this Standard, the undertaking shall apply the Disclosure Requirements (including their datapoints) set in topical ESRS, as listed in Appendix C of this Standard Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures. The undertaking shall apply the requirements listed in Appendix C:	2. In the preparation of disclosures under this Standard, the undertaking shall apply the Disclosure Requirements (including their datapoints) set in topical ESRS, as listed in Appendix C of this Standard Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures. The undertaking shall apply the requirements listed in Appendix C:	Deleted Reflecting the restructuring and simplification of the ESRS architecture, where requirements in appendix C have been mostly deleted.
(a) in all instances for the requirements in topical standards related to Disclosure Requirement IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities; and	(a) in all instances for the requirements in topical standards related to Disclosure Requirement IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities; and	Deleted See above
(b) for all other requirements listed in appendix C, only if the sustainability topic is material based on the undertaking's materiality assessment (see ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures).	(b) for all other requirements listed in appendix C, only if the sustainability topic is material based on the undertaking's materiality assessment (see ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures).	Deleted See above
	<u>2. This standard refers to disclosing on material impacts, risks and opportunities and disclosing on the topics related to them. In accordance with ESRS 1, the undertaking is expected to focus on the disaggregation that provides the most relevant information, i.e. at impacts, risks and opportunities level, at group of them, or at topic level, reflecting their nature and how the undertaking manages them.</u>	New Emphasis on ESRS 1 disaggregation requirement to allow flexibility and promote more concise and relevant disclosure. The content of each disclosure requirement in ESRS 2 refers to reporting at impacts, risks and opportunities (IROs) level or at related topic level. This is left to the undertaking's judgement and shall be the most appropriate level reflecting the nature of IROs or how they are managed. This also promotes a reporting more close to the management view.
Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement	Disclosure Requirement BP-1 – General Basis for preparation of the sustainability statement	Amended
3. The undertaking shall disclose the general basis for preparation of its sustainability statement.	3. The undertaking shall disclose the general basis for preparation of its sustainability statement.	Deleted Not needed
4. The objective of this Disclosure Requirement is to provide an understanding of how the undertaking prepares its sustainability statement, including the scope of consolidation, the upstream and downstream value chain information and, where relevant, whether the undertaking has used	4. 3. The objective of this DR is to provide an understanding of how the undertaking prepares its the basis for preparation of the sustainability statement, including the scope of consolidation, the upstream and downstream value chain information and, where relevant, whether the undertaking has used any of the options for	Amended Editorial

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
any of the options for omitting information referred to in points d) and e) in the following paragraph.	omitting information referred to in points d) and e) in the following paragraph disclosures required by ESRS 1 in specific circumstances, and information about the use of phasing-in options.	Updated the objective to reflect the new approach on BP-1 and to simplify the related requirements, for instance the consolidation scope.
5. The undertaking shall disclose the following information	<u>5.4.</u> The undertaking shall disclose the following information:	Amended Editorial
(a) whether the sustainability statement has been prepared on a consolidated or individual basis;	(a) whether the sustainability statement has been prepared on a consolidated or individual basis <u>and in case the reporting boundary is different from the one adopted in the consolidated financial statements, a description of and the reasons for this circumstance;</u>	Amended To clarify the disclosure on the reporting boundary
(b) for consolidated sustainability statement	(b) for consolidated sustainability statement	Deleted
i) a confirmation that the scope of consolidation is the same as for the financial statements, or, where applicable, a declaration that the reporting undertaking is not required to draw-up financial statements or that the reporting undertaking is preparing consolidated sustainability reporting pursuant to Article 48i of Directive 2013/34/EU; and	i) a confirmation that the scope of consolidation is the same as for the financial statements, or, where applicable, a declaration that the reporting undertaking is not required to draw-up financial statements or that the reporting undertaking is preparing consolidated sustainability reporting pursuant to Article 48i of Directive 2013/34/EU; and	Deleted. The notion of this datapoint was included above in par. 4)a) to also reflect the public call's feedback received asking for simplification of this provision.
ii) where applicable, an indication of which subsidiary undertakings included in the consolidation are exempted from annual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU;	ii) where applicable, an indication of which subsidiary undertakings included in the consolidation are exempted from annual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU;	Deleted Not needed, as the exempted subsidiary shall disclose this information in its management report.
(c) to what extent the sustainability statements cover the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain);	(b) to what an overview of the extent to which the sustainability statement covers the undertaking's upstream and downstream value chain. (see ESRS 1 section 5.1 Reporting undertaking and value chain)	Amended Editorial
(d) whether the undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation (see [draft] ESRS 1 section 7.7 Information on intellectual property, know-how or results of innovation); and	(d) whether the undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation (see [draft] ESRS 1 section 7.7 Information on intellectual property, know-how or results of innovation); and <u>5. The undertaking shall state that the general requirements of ESRS 1 have been applied for the preparation of its sustainability statement with an indication either (i) that none of the provisions listed in ESRS 2 paragraph 5 apply, or (ii) of which of the provisions listed in ESRS 2 paragraph 5 have been applied, leading to the disclosure of information required in the relevant paragraphs of ESRS 1;</u>	Amended The new paragraph 5 represents a major simplification of the basis for preparation, reflecting feedback received during outreach events and the public survey to streamline related disclosures. Repetition between ESRS 1 and ESRS 2 have been deleted, replaced by a list of references. This is included in a new Disclosure Requirement (DR) that outlines whether the principles of ESRS 1 are applied. Please note that each of the elements in this list is not considered as a separate datapoint. Each of them is conditional to the undertaking being in the relevant fact pattern. At aggregated level they constitute one piece of information, i.e. the basis for preparation.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(e) for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU, whether the undertaking has used that exemption.	(e) for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU, whether the undertaking has used that exemption.	Moved Merged in BP-1 para. 5(h)
	<u>(a) deviation from pre-defined time horizons (ESRS 1, paragraph 78);</u>	New Reflecting the new approach to BP-1 (see above)
	<u>(b) adjustments to comparative information (ESRS 1, paragraphs 83, 84 and 85);</u>	
	<u>(c) application of material judgement, and information subject to significant uncertainties (ESRS 1, paragraph 86);</u>	
	<u>(d) use of relief when the undertaking discloses metrics with a partial scope (ESRS 1, paragraph 91)</u>	
	<u>(e) update of disclosures for events after the end of the reporting period (ESRS 1, paragraph 94);</u>	
	<u>(f) changes in preparation or presentation of sustainability information (ESRS 1, paragraph 95);</u>	
	<u>(g) reporting errors in prior periods (ESRS 1, paragraph 96 and 97);</u>	Reformulated Not counted as new DP as it replaces previous approach to BP 1. To remediate to a misalignment between ESRS 1 and 2.
	<u>(h) use of the option to omit classified and sensitive information or information about impending developments or matters in the course of negotiation (ESRS 1, paragraphs 99 and 101);</u>	
	<u>(i) presentation of additional information (ESRS 1, paragraphs 108 and 109);</u>	Reformulated Not counted as new DP as it replaces previous approach to BP 1. To remediate to a misalignment between ESRS 1 and 2. Reflecting the new approach to BP-1 (see above)
	<u>(j) use of relief for metrics in the value chain (ESRS 1, paragraph 92);</u>	New Not counted as new DP as it replaces previous approach to BP 1. Reflecting the new approach to BP-1 (see above).
	<u>(k) use of relief for acquisitions and disposals (ESRS 1, paragraph 74).</u>	

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
AR 1. When describing to what extent the sustainability statement covers the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain), the undertaking may distinguish between:	AR 1. When describing to what extent the sustainability statement covers the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain), the undertaking may distinguish between:	Deleted
(a) the extent to which its materiality assessment of impacts, risks and opportunities extends to its upstream and/or downstream value chain;	(a) the extent to which its materiality assessment of impacts, risks and opportunities extends to its upstream and/or downstream value chain;	Deleted SBM 3 requires already this information.
(b) the extent to which its policies, actions and targets extend to its value chain; and	(b) the extent to which its policies, actions and targets extend to its value chain; and	Deleted Users should be able to understand this information from the description of PAT.
(c) the extent to which it includes upstream and/or downstream value chain data when disclosing on metrics	(c) the extent to which it includes upstream and/or downstream value chain data when disclosing on metrics	Deleted Users should be able to understand this information from ESRS 2 GDR-M 41 (a) which requires to disclose assumptions and limitations.
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	Disclosure Requirement BP-2 – <u>Disclosures in relation to specific circumstances</u> Specific information if the undertaking uses phasing-in options	Amended Title changed to reflect the amended paragraphs related to phasing-in options
6. The undertaking shall provide disclosures in relation to specific circumstances	6. The undertaking shall provide disclosures in relation to specific circumstances.	Deleted
7. The objective of this Disclosure Requirement is to provide an understanding of the effect of these specific circumstances on the preparation of the sustainability statement	7. The objective of this Disclosure Requirement is to provide an understanding of the effect of these specific circumstances on the preparation of the sustainability statement	Deleted
8. The undertaking may report this information alongside the disclosures to which they refer	8. AR 1 for BP-1. The undertaking may report this <u>present the information alongside the disclosures to which they refer stemming from BP-1 in the General information Section of its sustainability statement, or alongside the relevant disclosures / metrics to which the information pertains.</u>	Amended Same concept, wording clarified.
Time horizons 9. When the undertaking has deviated from the medium- or long-term time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes, it shall describe:	Time horizons 9. When the undertaking has deviated from the medium or long-term time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes, it shall describe:	Deleted Replaced with a general compliance statement in BP-1 par. 5 in line with ESRS 1 principles.
(a) its definitions of medium- or long-term time horizons; and	(a) its definitions of medium or long term time horizons; and	Deleted Replaced by 5 (a)

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(b) the reasons for applying those definitions	(b) the reasons for applying those definitions	Deleted Merged in 5 (a)
Value chain estimation 10. When metrics include upstream and/or downstream value chain data estimated using indirect sources, such as sector-average data or other proxies, the undertaking shall:	Value chain estimation 10. When metrics include upstream and/or downstream value chain data estimated using indirect sources, such as sector average data or other proxies, the undertaking shall:	Deleted Replaced with a general statement in BP-1 par. 5 in line with ESRS 1 principles.
(a) identify the metrics;	(a) identify the metrics;	Deleted Overlap with MDR-M para.41 (a)
(b) describe the basis for preparation	(b) describe the basis for preparation	
(c) describe the resulting level of accuracy; and	(c) describe the resulting level of accuracy; and	
(d) where applicable, describe the planned actions to improve the accuracy in the future (see ESRS 1 chapter 5 Value chain)	(d) where applicable, describe the planned actions to improve the accuracy in the future (see ESRS 1 chapter 5 Value chain)	Deleted
Sources of estimation and outcome uncertainty 11. In accordance with ESRS 1 section 7.2 Sources of estimation and outcome uncertainty, the undertaking shall:	Sources of estimation and outcome uncertainty 11. In accordance with ESRS 1 section 7.2 Sources of estimation and outcome uncertainty, the undertaking shall:	Deleted Overlap with MDR-M para.41 (a) and ESRS 2 5 (c)
(a) identify the quantitative metrics and monetary amounts it has disclosed that are subject to a high level of measurement uncertainty	(a) identify the quantitative metrics and monetary amounts it has disclosed that are subject to a high level of measurement uncertainty	
(b) in relation to each quantitative metric and monetary amount identified:	(b) in relation to each quantitative metric and monetary amount identified:	
i. disclose information about the sources of measurement uncertainty (for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's upstream and/or downstream value chain); and	i. disclose information about the sources of measurement uncertainty (for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's upstream and/or downstream value chain); and	
ii. disclose the assumptions, approximations and judgements the entity has made in measuring it.	ii. disclose the assumptions, approximations and judgements the entity has made in measuring it.	
12. When disclosing forward-looking information, the undertaking may indicate that it considers such information to be uncertain.	12. When disclosing forward-looking information, the undertaking may indicate that it considers such information to be uncertain.	Deleted
Changes in preparation or presentation of sustainability information 13. When changes in the preparation and presentation of sustainability information occur compared to the previous reporting period(s), (see ESRS 1	Changes in preparation or presentation of sustainability information 13. When changes in the preparation and presentation of sustainability information occur compared to the previous reporting	Deleted Overlap with ESRS 2 paragraph 5 (f)

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
section 7.4 Changes in preparation or presentation in sustainability information), the undertaking shall:	period(s), (see ESRS 1 section 7.4 Changes in preparation or presentation in sustainability information), the undertaking shall:	
(a) explain the changes and the reasons for them, including why the replaced metric provides more useful information;	(a) explain the changes and the reasons for them, including why the replaced metric provides more useful information;	Deleted
(b) disclose revised comparative unless it is impracticable to do so. When it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose that fact; and	(b) disclose revised comparative unless it is impracticable to do so. When it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose that fact; and	Deleted Partial overlap with ESRS 2 para. 5 (b)
(c) disclose the difference between the figure disclosed in the preceding period and the revised comparative figure.	(c) disclose the difference between the figure disclosed in the preceding period and the revised comparative figure.	
Reporting errors in prior periods 14. When the undertaking identifies material prior period errors (see ESRS 1 section 7.5 Reporting errors in prior periods), it shall disclose:	Reporting errors in prior periods 14. When the undertaking identifies material prior period errors (see ESRS 1 section 7.5 Reporting errors in prior periods), it shall disclose:	Deleted Partial overlap with ESRS 2 para. 5 (g)
(a) the nature of the prior period material error;	(a) the nature of the prior period material error;	
(b) to the extent practicable, the correction for each prior period included in the sustainability statement; and	(b) to the extent practicable, the correction for each prior period included in the sustainability statement; and	
(c) if correction of the error is not practicable, the circumstances that led to the existence of that condition.	(c) if correction of the error is not practicable, the circumstances that led to the existence of that condition.	
Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements 15. When the undertaking includes in its sustainability statement information stemming from other legislation which requires the undertaking to disclose sustainability information or from generally accepted sustainability reporting standards and frameworks (see ESRS 1 section 8.2 Content and structure of the sustainability statement), in addition to the information prescribed by ESRS, it shall disclose this fact. In case of partial application of other reporting standards or frameworks, the undertaking shall provide a precise reference to the paragraphs of the standard or framework applied.	Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements 15. When the undertaking includes in its sustainability statement information stemming from other legislation which requires the undertaking to disclose sustainability information or from generally accepted sustainability reporting standards and frameworks (see ESRS 1 section 8.2 Content and structure of the sustainability statement), in addition to the information prescribed by ESRS, it shall disclose this fact. In case of partial application of other reporting standards or frameworks, the undertaking shall provide a precise reference to the paragraphs of the standard or framework applied.	Deleted Partial overlap with ESRS 2 para. 5 (i)
Incorporation by reference 16. When the undertaking incorporates information by reference (see ESRS 1 section 9.1 Incorporation by reference), it shall disclose a list of the disclosure requirements of ESRS, or the specific datapoints mandated by a Disclosure Requirement, that have been incorporated by reference.	Incorporation by reference 16. When the undertaking incorporates information by reference (see ESRS 1 section 9.1 Incorporation by reference), it shall disclose a list of the disclosure requirements of ESRS, or the specific datapoints mandated by a Disclosure Requirement, that have been incorporated by reference.	Deleted Overlap with ESRS 2 para. 28 (d)

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
Use of phase-in provisions in accordance with Appendix C of ESRS 1 17. If an undertaking or group not exceeding on its balance sheet date the average number of 750 employees during the financial year decides to omit the information required by ESRS E4, ESRS S1, ESRS S2, ESRS S3 or ESRS S4 in accordance with Appendix C of ESRS 1, it shall nevertheless disclose whether the sustainability topics covered respectively by ESRS E4, ESRS S1, ESRS S2, ESRS S3 and ESRS S4 have been assessed to be material as a result of the undertaking's materiality assessment. In addition, if one or more of these topics has been assessed to be material, the undertaking shall, for each material topic:	Use of phase-in provisions in accordance with Appendix C of ESRS 1 6. If an undertaking or group not exceeding on its balance sheet date the average number of 750 employees during the financial year decides to omit the information required by ESRS E4, ESRS S1, ESRS S2, ESRS S3 or ESRS S4 in accordance with Appendix C of ESRS 1, it shall nevertheless disclose whether the sustainability topics covered respectively by ESRS E4, ESRS S1, ESRS S2, ESRS S3 and ESRS S4 have been assessed to be material as a result of the undertaking's materiality assessment. In addition, if one or more of these topics has been assessed to be material, the undertaking shall, for each material topic:	Unchanged
(a) disclose the list of matters (i.e. topic, sub-topic or sub-sub-topic) in AR 16 ESRS 1 Appendix A that are assessed to be material and briefly describe how the undertaking's business model and strategy take account of the impacts of the undertaking related to those matters. The undertaking may identify the matter at the level of topic, sub-topic or sub-sub-topic;	U. In addition, if one or more of these topics has been assessed to be material, the undertaking shall, for each material topic: (a) disclose the list of matters <u>topic or sub-topic(s)</u> (i.e. topic, sub-topic or sub-sub-topic) in AR 16 ESRS 1 in Appendix A of ESRS 1 that relate to the undertaking's material impacts, risks and opportunities, are assessed to be material and briefly describe how the undertaking's business model and strategy take account of the undertaking's impacts related to those topics <u>impacts of the undertaking related to those matters</u> . The undertaking may disclose <u>identify the matter</u> at the level of topic or sub-topic or sub-sub-topic ;	Amended Editorial
(b) briefly describe any time-bound targets it has set related to the matters in question, the progress it has made towards achieving those targets, and whether its targets related to biodiversity and ecosystems are based on conclusive scientific evidence;	(b) briefly describe any time-bound targets it has set related to the matters <u>topics</u> in question, the progress it has made towards achieving those targets, and whether its targets related to biodiversity and ecosystems are based on conclusive scientific evidence;	Amended Editorial
(c) briefly describe its policies in relation to the matters in question;	(c) briefly describe its policies in relation to the matters <u>topics</u> in question;	Amended Editorial
(d) briefly describe actions it has taken to identify, monitor, prevent, mitigate, remediate or bring an end to actual or potential adverse impacts related to the matters in question, and the result of such actions; and	(d) briefly describe actions it has taken to identify, monitor, prevent, mitigate, remediate or bring an end to actual or potential adverse impacts related to the matters <u>topic</u> in question, and the result of such actions; and	Amended Editorial
(e) disclose metrics relevant to the matters in question.	(e) disclose metrics relevant to the matters <u>topic</u> in question.	Amended Editorial
AR 2. The undertaking may disclose whether it relies on any European standards approved by the European Standardisation System (ISO/IEC or CEN/CENELEC standards), as well as the extent to which data and processes that are used for sustainability reporting purposes have been verified by an	AR 2. The undertaking may disclose whether it relies on any European standards approved by the European Standardisation System (ISO/IEC or CEN/CENELEC standards), as well as the extent to which data and processes that are used for sustainability reporting purposes have been verified by an external assurance provider and	Deleted In response to feedback received aimed at minimizing the number of voluntary datapoints, in line with the results of the public survey.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
external assurance provider and found to conform to the corresponding ISO/IEC or CEN/CENELEC standard.	found to conform to the corresponding ISO/IEC or CEN/CENELEC standard.	
2. GOVERNANCE 18. The objective of this chapter is to set disclosure requirements that enable an understanding of the governance processes, controls and procedures put in place to monitor, manage and oversee sustainability matters.	2. GOVERNANCE 18. The objective of this chapter is to set disclosure requirements that enable an understanding of the governance processes, controls and procedures put in place to monitor, manage and oversee sustainability matters.	Deleted Simplified and consolidated with new para. 8
GOV-1 — The role of the administrative, management and supervisory bodies	<u>Disclosure Requirement GOV-1</u> <i>The role the administrative, management and supervisory bodies in relation to sustainability</i>	Amended Clarification in alignment with CSRD Art. 29(c)(i)
19. The undertaking shall disclose the composition of the administrative, management and supervisory bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters.	19. The undertaking shall disclose the composition of the administrative, management and supervisory bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters.	Deleted Deleted to avoid repetition
20. The objective of this Disclosure Requirement is to provide an understanding of:	20.8. (20 amended) The objective of this disclosure requirement DR is to provide an understanding of: the roles and responsibilities of the administrative, management and supervisory bodies, as well as the processes, controls and procedures to monitor, manage and oversee material impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics).	Amended Reformulation of objective to better align with IFRS, avoid duplication of objectives, and for further consistency with other disclosure requirements.
(a) the composition and diversity of the administrative, management and supervisory bodies	(a) the composition and diversity of the administrative, management and supervisory bodies	Deleted For simplification purposes. Consolidated into new para. 8
(b) the roles and responsibilities of the administrative, management and supervisory bodies in exercising oversight of the process to manage material impacts, risks and opportunities, including management's role in these processes; and	(b) the roles and responsibilities of the administrative, management and supervisory bodies in exercising oversight of the process to manage material impacts, risks and opportunities, including management's role in these processes; and	Deleted For simplification purposes. Consolidated into new para. 8
(c) the expertise and skills of its administrative, management and supervisory bodies on sustainability matters or access to such expertise and skills.	(c) the expertise and skills of its administrative, management and supervisory bodies on sustainability matters or access to such expertise and skills.	Deleted For simplification purposes. Consolidated into new para. 8
21. The undertaking shall disclose the following information about the composition and diversity of the members of the undertaking's administrative, management and supervisory bodies:	21.9. The undertaking shall disclose the following information about the composition and diversity of the members of the undertaking's administrative, management and supervisory bodies:	Moved Deleted from mandatory content and moved to NMIG

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(a) the number of executive and non-executive members;	(a) the number of executive and non-executive members.	Moved Deleted from mandatory content and moved to NMIG
(b) representation of employees and other workers;	(b) (a) (21(d), (e) and (b)) with respect to specific aspects of the composition of its administrative, management and supervisory bodies, the percentage of independent board members, where it exists, the representation of employees and other workers, and the percentage by gender and by other aspects of diversity that the undertaking takes into account;	Amended [AR 2 contains related guidance for para. 9(a)] Incorporation of former paras. 21(d) and 21(e)
(c) experience relevant to the sectors, products and geographic locations of the undertaking;	(c) experience relevant to the sectors, products and geographic locations of the undertaking;	Moved Deleted from mandatory content and moved to NMIG
(d) percentage by gender and other aspects of diversity that the undertaking considers. The board's gender diversity shall be calculated as an average ratio of female to male board members; and	(d) AR 2. for para. 9(a) (21(d) percentage by gender and other aspects of diversity that the undertaking considers. The board's gender diversity shall be calculated as an average ratio of female to male board members.; and	Moved Incorporated into the new para. 9(a) and moved to mandatory guidance (AR 2 for para. 9(a)) SFDR indicator
(e) the percentage of independent board members. For undertakings with a unitary board, this corresponds to the percentage of independent non-executive board members. For undertakings with a dual board, it corresponds to the percentage of independent members of the supervisory body.	For undertakings with a unitary board, this corresponds to the percentage of independent non-executive board members. For undertakings with a dual board, it corresponds to the percentage of independent members of the supervisory body.	Moved Incorporated into the new para. 9(a)
AR 5. The description of the level of expertise or access to expertise of the administrative, management and supervisory bodies may be substantiated by illustrating the composition of the bodies, including members on whom these bodies rely for expertise to oversee sustainability matters, and how they leverage that expertise as a body. In the description, the undertaking shall consider how the expertise and skills are relevant to the undertaking's material impacts, risks and opportunities and whether the bodies and/or its members have access to other sources of expertise, such as specific experts and training and other educational initiatives to update and develop sustainability-related expertise within these bodies.	AR 5. The description of the level of expertise or access to expertise of the administrative, management and supervisory bodies may be substantiated by illustrating the composition of the bodies, including members on whom these bodies rely for expertise to oversee sustainability matters, and how they leverage that expertise as a body. In the description, the undertaking shall consider how the expertise and skills are relevant to the undertaking's material impacts, risks and opportunities and whether the bodies and/or its members have access to other sources of expertise, such as specific experts and training and other educational initiatives to update and develop sustainability-related expertise within these bodies.	Deleted For simplification purposes
22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:	22 The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:	Deleted For simplification purposes

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(a) the identity of the administrative, management and supervisory bodies (such as a board committee or similar) or individual(s) within a body responsible for oversight of impacts, risks and opportunities;	(a) (c) (22 (22(a)(b), (former 26(6) amended) the identity and responsibilities of the individuals, of the administrative, management and supervisory bodies (such as a board committee or similar body) or individual(s) within a body the administrative, management and supervisory bodies which are responsible for the oversight of material impacts, risks and opportunities (or groups of them/related topics), with an indication, if relevant, of those for which the administrative, management and supervisory bodies have not delegated the key decisions to another body;	Amended [AR 4 contains related guidance for para. 9(c)]
(b) how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in the undertaking's terms of reference, board mandates and other related policies;	AR 4 for para. 9(c). (new) The description of the responsibilities shall <u>consist in an overview of</u> how each body's or individual's responsibilities for material impacts, risks and opportunities and related topics are reflected in the undertaking's terms of reference, board mandates and other related policies.	Moved Moved to mandatory guidance (new AR 4) See below – conditional DR + IFRS alignment
(c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including:	(c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including;	Deleted Simplification by reducing granularity reflecting the input gathered
(i) whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee;	(i) whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee;	Deleted Simplification by reducing granularity reflecting the input gathered
(ii) information about the reporting lines to the administrative, management and supervisory bodies;	(ii) information about the reporting lines to the administrative, management and supervisory bodies;	Deleted Simplification by reducing granularity reflecting the input gathered
(iii) whether dedicated controls and procedures are applied to the management of impacts, risks and opportunities and, if so, how they are integrated with other internal functions; and	(iii) whether dedicated controls and procedures are applied to the management of impacts, risks and opportunities and, if so, how they are integrated with other internal functions; and	Deleted Simplification by reducing granularity reflecting the input gathered
(d) how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, and how they monitor progress towards them	22 (d) how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities (or groups of them/related topics), and how they monitor progress towards them; and	Amended/ Deleted Editorial amendment The amendments delete the requirement to disclose information about remuneration of the management, limiting it to the remuneration of the members of the administrative, management and supervisory bodies. This reflects textually the CSRD but will result in less information provided. This will also result in a difference with ISSB's IFRS S1 and S2 that require this information.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
23. The disclosure shall include a description of how the administrative, management and supervisory bodies ensure the availability of the appropriate skills and expertise to oversee sustainability matters, including	23. (b) (23 amended) The disclosure shall include a description of how the administrative, management and supervisory bodies determine whether ensure the availability of the appropriate skills and expertise are available or will be developed to oversee sustainability matters, including strategies and other measures designed to respond to material impacts, risks and opportunities (or groups of them/related topics);	Moved [AR 3 contains related guidance for para. 9(b)] Amended and moved to new para. 9
(a) the sustainability-related expertise that the bodies, as a whole, either directly possess or can leverage, for example through access to experts or training; and	(a) AR 3. for para. 9 (b) the Sustainability-related expertise refers to the one that the bodies, as a whole, either directly possess or can leverage; (for example through access to experts or training; and, or other educational initiatives)	Moved Amended and moved to mandatory guidance (AR 3)
(b) how those skills and expertise relate to the undertaking's material impacts, risks and opportunities.	(b) how those skills and expertise relate to the undertaking's material impacts, risks and opportunities.	Deleted Simplification purposes
AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify:	AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify:	Moved Deleted from mandatory content and moved to NMIG
(a) the aspects of sustainability over which oversight is exercised with regard to the environmental, social and governance matters the undertaking may be facing, including:	(a) the aspects of sustainability over which oversight is exercised with regard to the environmental, social and governance matters the undertaking may be facing, including:	Deleted Simplification purposes
i. any assessment of and changes to sustainability-related aspects of the undertaking's strategy and business model;	i. any assessment of and changes to sustainability related aspects of the undertaking's strategy and business model;	Deleted Simplification purposes
ii. the identification and assessment of material risks, opportunities and impacts;	ii. the identification and assessment of material risks, opportunities and impacts;	Deleted Simplification purposes
iii. related policies and targets, action plans and dedicated resources; and	iii. related policies and targets, action plans and dedicated resources; and	Deleted Simplification purposes
iv. sustainability reporting;	iv. sustainability reporting;	Deleted Simplification purposes

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
AR 4. In describing the undertaking's organisation of governance regarding sustainability matters, a description of complex governance structure may be complemented by their presentation in the form of a diagram.	AR 4. In describing the undertaking's organisation of governance regarding sustainability matters, a description of complex governance structure may be complemented by their presentation in the form of a diagram.	Moved Deleted from mandatory content and moved to NMIG
	(b) (e) (26(b)) how the administrative, management and supervisory bodies consider <u>take into account material</u> impacts, risks and opportunities <u>(or groups of them/related topics)</u> when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process <u>and related policies</u> , including whether they the <u>body(ies) or individual(s)</u> have considered trade-offs associated with those impacts, risks and opportunities.	Moved Amended and moved from former para. 26 to new para. 9.
GOV-2 Information provided to and sustainability addressed by the undertaking's administrative, management and supervisory body	GOV 2 Information provided to and sustainability addressed by the undertaking's administrative, management and supervisory body	Deleted GOV 2 is moved and integrated into GOV-1
24. The undertaking shall disclose how the administrative, management and supervisory bodies are informed about sustainability matters and how these matters were addressed during the reporting period	24. The undertaking shall disclose how the administrative, management and supervisory bodies are informed about sustainability matters and how these matters were addressed during the reporting period	Deleted Simplification by reducing granularity reflecting the input gathered
25. The objective of this Disclosure Requirement is to provide an understanding of how administrative, management and supervisory bodies are informed about sustainability matters, as well as what information and matters they addressed during the reporting period. This in turn allows an understanding of whether the members of these bodies were adequately informed and whether they were able to fulfil their roles.	25. The objective of this Disclosure Requirement is to provide an understanding of how administrative, management and supervisory bodies are informed about sustainability matters, as well as what information and matters they addressed during the reporting period. This in turn allows an understanding of whether the members of these bodies were adequately informed and whether they were able to fulfil their roles.	Deleted Simplification purposes
26. The undertaking shall disclose the following information:	26. The undertaking shall disclose the following information:	Deleted Simplification purposes
(a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;	(a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;	Deleted Simplification by reducing granularity based on information gathering

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities; and	(b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities; and	Moved Amended and moved up to new para. 9 (e).
(c) a list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period.	(c) a list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period.	Deleted Covered by SBM and paras. 9 and 10
AR 6. Depending on the undertaking's structure, the administrative, management and supervisory bodies may focus on overarching targets, while management focuses on the more detailed targets. In this case, the undertaking may disclose how the governance bodies ensure that an appropriate mechanism for performance monitoring is in place.	AR 6. Depending on the undertaking's structure, the administrative, management and supervisory bodies may focus on overarching targets, while management focuses on the more detailed targets. In this case, the undertaking may disclose how the governance bodies ensure that an appropriate mechanism for performance monitoring is in place.	Deleted Simplification purposes
GOV-3 – Integration of sustainability-related performance in incentive schemes	GOV-3 Disclosure Requirement GOV-2 – Integration of sustainability-related performance in incentive schemes	Unchanged
27. The undertaking shall disclose information about the integration of its sustainability-related performance in incentive schemes.	27. The undertaking shall disclose information about the integration of its sustainability-related performance in incentive schemes.	Deleted Deleted to avoid repetition
28. The objective of this Disclosure Requirement is to provide an understanding of whether incentive schemes are offered to members of the administrative, management and supervisory bodies that are linked to sustainability matters .	28. 10. (28) The objective of this Disclosure Requirement DR is to provide an understanding of whether incentive schemes <u>that are linked to sustainability topics</u> are offered to members of the administrative, management and supervisory bodies. that are linked to sustainability matters	Amended Editorial amendment
29. The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist:	29. 11. (29) Where they exist, the undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters <u>topics</u> for members of the undertaking's administrative, management and supervisory bodies, where they exist:	Amended Editorial amendment
(a) a description of the key characteristics of the incentive schemes	(a) a description of the key characteristics of the incentive schemes;	Unchanged DP is useful to provide and understand context on the incentive schemes (where they exist) – STI, LTI etc.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(b) whether performance is being assessed against specific sustainability-related targets and/or impacts, and if so, which ones;	(b) (29 (b)) when whether performance is being assessed against specific sustainability-related targets and/or impacts, and if so, which ones the targets or metrics used; and	Amended Incorporation of former para. 29 (c)
(c) whether, and how and sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies;	(c) whether, and how and sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies;	Moved Incorporated in new para. 11 (b)
(d) the proportion of variable remuneration dependent on sustainability-related targets and/or impacts; and	(c) (29 (d)) the proportion of variable remuneration dependent on sustainability-related targets and/or impacts impacts' performance.; and	Unchanged
(e) the level in the undertaking at which the terms of incentive schemes are approved and updated.	(e) the level in the undertaking at which the terms of incentive schemes are approved and updated.	Deleted Simplification purposes
AR 7. For listed undertakings, this Disclosure Requirement should be consistent with the remuneration report prescribed in articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies. Subject to the provisions of ESRS 1, paragraphs 119, 120 and 122, a listed undertaking may make a reference to its remuneration report.	AR 7. For listed undertakings, this Disclosure Requirement should be consistent with the remuneration report prescribed in articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies. Subject to the provisions of ESRS 1, paragraphs 119, 120 and 122, a listed undertaking may make a reference to its remuneration report.	Deleted Covered by ESRS 1 – incorporation by reference
GOV-4 : Statement on due diligence	GOV-4 Disclosure Requirement GOV-3 Statement on due diligence	Unchanged
30. The undertaking shall disclose a mapping of the information provided in its sustainability statement about the due diligence process.	30. The undertaking shall disclose a mapping of the information provided in its sustainability statement about the due diligence process.	Deleted Deleted to avoid repetition
31. The objective of this Disclosure Requirement is to facilitate an understanding of the undertaking's due diligence process with regard to sustainability matters .	31-12. (31) The objective of this Disclosure Requirement DR is to facilitate an understanding of the undertaking's main aspects and steps of the due diligence process (see chapter 4, ESRS1) that the undertaking has applied with regard to sustainability matters topics reported in its sustainability statement.	Amended Clarification purposes
32. The main aspects and steps of due diligence referred to under ESRS 1 chapter 4 Due diligence are related to a number of cross-cutting and topical Disclosure Requirements under the ESRS. The undertaking shall provide a mapping that explains how and where its application of the main aspects and steps of the due diligence process are reflected in its sustainability	32- 13. (32) The main aspects and steps of due diligence referred to under ESRS 1 chapter 4 Due diligence are related to a number of cross-cutting and topical Disclosure Requirements under the ESRS. The undertaking shall provide a mapping that explains how and explain where its application of the main aspects and steps of the due diligence process are reflected in its sustainability statement).; to	Amended [AR 5 contains related guidance for para. 13] [ESRS 2 NMIG 3 contains related guidance for para. 13] Simplification purposes

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
statement, to allow a depiction of the actual practices of the undertaking with regard to due diligence ⁽¹⁵⁾ .	allow a depiction of the actual practices of the undertaking with regard to due diligence (15).	
33. This disclosure requirement does not mandate any specific behavioural requirements with regard to due diligence actions and does not extend or modify the role of administrative, management and supervisory bodies as mandated by other legislation or regulation.	33. This disclosure requirement does not mandate any specific behavioural requirements with regard to due diligence actions and does not extend or modify the role of administrative, management and supervisory bodies as mandated by other legislation or regulation.	Deleted Covered in ESRS 1
AR 8. The mapping required by paragraph 30 may be presented in the form of a table, crossreferencing the core elements of due diligence, for impacts on people and the environment, to the relevant disclosures in the undertaking's sustainability statement , as set out below.	AR 8. AR 5 for para. 13 (AR 8) The mapping required by paragraph 30 The undertaking may be presented – present the description required by paragraph 13 in the form of a table, cross-referencing the core elements of due diligence for impacts on people and the environment to the relevant disclosures in the undertaking's <u>its</u> sustainability statement. , as set out below.	Amended Simplification purposes
AR 9. The undertaking may include additional columns to the table below (xxx to insert xx) to clearly identify those disclosures that relate to impacts on people and/or the environment given that, in some cases, more than one disclosure may provide information about the same due diligence step.	AR 9. The undertaking may include additional columns to the table below (xxx to insert xx) to clearly identify those disclosures that relate to impacts on people and/or the environment given that, in some cases, more than one disclosure may provide information about the same due diligence step.	Deleted Simplification purposes
AR 10. The main references in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to the core elements of the due diligence process are listed in ESRS 1 chapter 4.	AR 10. The main references in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to the core elements of the due diligence process are listed in ESRS 1 chapter 4.	Deleted Simplification purposes
GOV-5: Risk management and internal controls over sustainability reporting	GOV-5 Disclosure Requirement GOV-4: Risk management and internal controls over sustainability reporting	Unchanged
34. The undertaking shall disclose the main features of its risk management and internal control system in relation to the sustainability reporting process.	34. The undertaking shall disclose the main features of its risk management and internal control system in relation to the sustainability reporting process	Deleted Deleted to avoid repetition
35. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's risk management and internal control processes in relation to sustainability reporting.	35. 14. (35) The objective of this Disclosure Requirement <u>DR</u> is to provide an understanding of the undertaking's risk management and internal control processes <u>and systems</u> in relation to sustainability reporting.	Amended Editorial amendment
36. The undertaking shall disclose the following information:	36. The undertaking shall disclose the following information:	Deleted

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(a) the scope, main features and components of the risk management and internal control processes and systems in relation to sustainability reporting;	(a) 15. (36(a)) The undertaking shall disclose the scope, main features and components of its risk management and internal control processes and systems in relation to sustainability reporting.	Amended [AR 6 contains related guidance for para. 15] [ESRS 2 NMIG 4 contains related guidance for para. 15] Editorial amendment
(b) the risk assessment approach followed, including the risk prioritisation methodology;	(b) the risk assessment approach followed, including the risk prioritisation methodology;	Moved Deleted from mandatory content and moved to NMIG 4
(c) the main risks identified and their mitigation strategies including related controls;	(c) the main risks identified and their mitigation strategies including related controls;	Deleted For simplification purposes
(d) a description of how the undertaking integrates the findings of its risk assessment and internal controls as regards the sustainability reporting process into relevant internal functions and processes; and	((d) a description of how the undertaking integrates the findings of its risk assessment and internal controls as regards the sustainability reporting process into relevant internal functions and processes; and	Deleted from mandatory content and moved to NMIG Moved to NMIG 4
(e) a description of the periodic reporting of the findings referred to in point (d) to the administrative, management and supervisory bodies .	(e) a description of the periodic reporting of the findings referred to in point (d) to the administrative, management and supervisory bodies .	Deleted from mandatory content and moved to NMIG Moved to NMIG 4
AR 11. This Disclosure Requirement focuses solely on the internal control processes over the sustainability reporting process. The undertaking may consider risks such as the completeness and integrity of the data, the accuracy of estimation results, the availability of upstream and/or downstream value chain data, and the timing of the availability of the information.	AR 11. AR 6 for para. 15 (AR 11). This Disclosure Requirement focuses solely on the internal control processes over the sustainability reporting process. The undertaking may shall consider risks such as the completeness and integrity of the data and the accuracy of estimation results, the availability of upstream and/or downstream value chain data, and the timing of the availability of the information as aspects that are relevant in the context of risks associated to the reporting process.	Amended For simplification purposes
Disclosure Requirement SBM-1 – Strategy, business model and value chain	Disclosure Requirement SBM-1 Strategy, business model and value chain	Amended
38. The undertaking shall disclose the elements of its strategy that relate to or impact sustainability matters, its business model and its value chain.	38. The undertaking shall disclose the elements of its strategy that relate to or impact sustainability matters, its business model and its value chain.	Deleted Deleted this para. to avoid repetitions

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
39. The objective of this Disclosure Requirement is to describe the key elements of the undertaking's general strategy that relate to or affect sustainability matters, and the key elements of the undertaking's business model and value chain, in order to provide an understanding of its exposure to impacts, risks and opportunities and where they originate.	39. <u>16.</u> The objective of this <u>DR</u> is to describe the key elements of the undertaking's general strategy, <u>as well as the key elements of its business model and value chain</u> , that relate to or affect sustainability matters <u>material impacts, risks and opportunities</u> , in order to provide an understanding of its exposure to <u>material</u> impacts, risks and opportunities and where they originate.	Amended Added reference to business model and value chain to reflect what is required by this DR.
40. The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters:	40. <u>17.</u> The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters <u>material impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics)</u> :	Amended Adapted to illustrate that the requirement is tailored to reflect the appropriate level of aggregation according to ESRS 1. This addresses the concern of excessive granularity of information provided. Companies will be able to stay at the level that reflect their strategy and business model.
(a) a description of:	(a) a description of:	Unchanged
i. significant groups of products and/or services offered, including changes in the reporting period (new/removed products, and/or services);	i. <u>the significant groups of products and/or services offered, significant markets and/or customer groups served, and the sustainability-related goals that it has associated to them</u> , including <u>significant changes in the reporting period (new/removed products, services, markets and/or customer groups)</u> ;	Amended Merged with point ii. of the Delegated Act as both datapoints pertain to description of the undertaking's business profile, including also the sustainability goals.
ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups);	ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups);	Moved Simplified and MERGED with point (i). above
iii. headcount of employees by geographical areas; and	iii. headcount of employees by geographical areas; and	Deleted Deleted as this DP overlaps with information already required in ESRS S1 and also considering that from interviews this information has been often incorporated by reference
iv. where applicable and material, products and services that are banned in certain markets;	<u>ii.</u> where applicable and material, products and services that are banned in certain markets;	Unchanged This is a conditional DP
(b) a breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. When the undertaking provides segment reporting as required by IFRS 8 Operating segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information;	(b) the list of its significant sectors including activities that are internal to the group, when those activities are significant and/or are connected or may be connected to materials impacts, risk and opportunities, and the sector classification system adopted for this disclosure; (b) a breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. When the undertaking provides segment reporting as required by IFRS 8 Operating	Deleted Deleted the requirement to disclose breakdown of revenues, as similar information it already disclosed in the financial statements. Abandoned the ESRS sector classification system and allowed flexibility in choosing how to classify the activities into sectors.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information;	Added the requirement to disclose the classification system adopted. Create a link between significant sectors and entity-specific sector information. Maintain the information about the significant sectors as it is essential for users to understand the IROs to which the undertaking is exposed.
(c) a list of the additional significant ESRS sectors beyond the ones reflected under paragraph 40(b), such as activities that give rise to intercompany revenues, in which the undertaking develops significant activities, or in which it is or may be connected to material impacts. The identification of these additional ESRS sectors shall be consistent with the way they have been considered by the undertaking when performing its materiality assessment and with the way it discloses material sector-specific information.	(c) a list of the additional significant ESRS sectors beyond the ones reflected under paragraph 40(b), such as activities that give rise to intercompany revenues, in which the undertaking develops significant activities, or in which it is or may be connected to material impacts. The identification of these additional ESRS sectors shall be consistent with the way they have been considered by the undertaking when performing its materiality assessment and with the way it discloses material sector-specific information.	Deleted Reference to sector ESRS not applicable. Replaced by a general provision to disclose company's sectors in par. 17b) above.
(d) where applicable, a statement indicating, together with the related revenues, that the undertaking is active in:	(d) where applicable, a statement indicating, together <u>along</u> with the related <u>respective</u> revenues, whether <u>that</u> the undertaking is active in:	Amended Editorial
i. the fossil fuel (coal, oil and gas) sector; (i.e., it derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council), including a disaggregation of revenues derived from coal, from oil and from gas, as well as the revenues derived from Taxonomy-aligned economic activities related to fossil gas as required under Article 8(7)(a) of Commission Delegated Regulation 2021/2178;	i. the fossil fuel (coal, oil and gas) sector; (i.e., it derives revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council), including a disaggregation of revenues derived from coal, from oil and from gas, as well as the revenues derived from Taxonomy-aligned economic activities related to fossil gas as required under Article 8(7)(a) of Commission Delegated Regulation 2021/2178;	Amended These are related to EU Law and considered essential to keep. However, the deleted text was moved to AR 9 for para. 18(c)(i).– see below as a methodology to be followed in AR when disclosing this information.
ii. chemicals production, i.e., its activities fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006;	ii. chemicals production, i.e., its activities fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006;	Unchanged These are related to EU Law and considered essential to keep
iii. controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons); and/or	iii. controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons); and/or	Unchanged These are related to EU Law and considered essential to keep
iv. the cultivation and production of tobacco;	iv. the cultivation and production of tobacco;	Unchanged These are related to EU Law and considered essential to keep

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(e) its sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders;	(e) its sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders;	Moved Simplified and merged into a) above
(f) an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals; and	(f) an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals; and	Deleted Boilerplate disclosure and redundant (interviews and public survey)
(g) the elements of the undertaking's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place, when relevant for sustainability reporting.	(g) the elements of the undertaking's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place, when relevant for sustainability reporting.	Deleted Boilerplate disclosure and redundant (interviews and public survey)
41. If the undertaking is based in an EU Member State that allows for an exemption from the disclosure of the information referred to in Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU, and if the undertaking has made use of that exemption, it may omit the breakdown of revenue by significant ESRS sector required by paragraph 40(b). In this case the undertaking shall nevertheless disclose the list of ESRS sectors that are significant for the undertaking.	41. If the undertaking is based in an EU Member State that allows for an exemption from the disclosure of the information referred to in Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU, and if the undertaking has made use of that exemption, it may omit the breakdown of revenue by significant ESRS sector required by paragraph 40(b). In this case the undertaking shall nevertheless disclose the list of ESRS sectors that are significant for the undertaking.	Deleted Already covered in par. 17 (b). ESRS sectors not applicable.
42. The undertaking shall disclose a description of its business model and value chain, including:	42. 18. The undertaking shall disclose a description of its business model and value chain, covering the main features of them, as well as its position in the latter, including:	Amended Merged with par. 42c) of the Delegated Act. The feedback received in the public call and the targeted interviews, as well as the benchmarking performed among ESRS adopters, showcased a lack of detail from undertakings in disclosing this information. This finding together with the suggestions to remove entirely this DP resulted in the SRB and SR TEG agreeing to simplify par. 42 in the Delegated Act and to limit the information requests to the text of par. 18. This reflect the revised approach to narrative disclosure, with less granular datapoints.
(a) its inputs and its approach to gathering, developing and securing those inputs;	(a) its inputs and its approach to gathering, developing and securing those inputs;	Deleted Removed to reflect the revised approach to narrative disclosure, with less granular datapoints.
(b) its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders; and	(b) its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders; and	Deleted Removed to reflect the revised approach to narrative disclosure, with less granular datapoints.
c) the main features of its upstream and downstream value chain and the undertaking's position in its value chain, including a description of the main business actors (such as key suppliers, customers, distribution channels and	c) the main features of its upstream and downstream value chain and the undertaking's position in its value chain, including a description of the main business actors (such as key suppliers, customers,	Moved / Merged

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
end-users) and their relationship to the undertaking. When the undertaking has multiple value chains, the disclosure shall cover the key value chains.	distribution channels and end-users) and their relationship to the undertaking. When the undertaking has multiple value chains, the disclosure shall cover the key value chains.	Merged with par. 19 above and part moved to NMIG 6
AR 12. To provide the information on sectors required by paragraph 40, the undertaking shall map its significant activities in accordance with ESRS sectors. If a code for a sub-sector does not exist, the caption "others" shall be used.	AR 12. To provide the information on sectors required by paragraph 40, the undertaking shall map its significant activities in accordance with ESRS sectors. If a code for a sub-sector does not exist, the caption "others" shall be used.	Deleted Reflecting the deletion of sector ESRS approach.
AR 13. For the purposes of the disclosures required in paragraph 40, a group of products and/or services offered, a group of markets and/or customer groups served, or an ESRS sector, is significant for the undertaking if it meets one or both of the following criteria:	AR 13 AR 10 for para. 17(a)(b). For the purposes of the disclosures required in paragraph 40. When disclosing information on a group of products and/or services offered, a group of markets and/or customers served, or and on a ESRS sector, is significant for the undertaking if it meets one or both of the undertaking shall apply the following criteria to assess if they are significant:	Amended Editorial
(a) it accounts for more than 10 per cent of the undertaking's revenue;	(a) whether it accounts for more than 10 per cent of the undertaking's revenue <u>or is a reportable sector in accordance with IFRS 8 / local generally accepted accounting principles;</u> or	Amended To simplify identification of significant sectors by referencing them to the classification system already in use by the company.
(b) it is connected with material actual impacts or material potential negative impacts of the undertaking.	(b) whether it is connected with its material actual <u>material</u> impacts or potential <u>material</u> negative impacts of the undertaking.	Amended Editorial
AR 14. In preparing disclosures relating to its business model and value chain, the undertaking shall consider:	AR 14. In preparing disclosures relating to its business model and value chain, the undertaking shall consider:	Moved Deleted from mandatory content and moved to NMIG
(a) its key activities, resources, distribution channels and customer segments;	(a) its key activities, resources, distribution channels and customer segments;	Moved Deleted from mandatory content and moved to NMIG
(b) its key business relationships and their key characteristics, including relationships with customers and suppliers;	(b) its key business relationships and their key characteristics, including relationships with customers and suppliers;	Moved Deleted from mandatory content and moved to NMIG
(c) the cost structure and revenue of its business segments, in line with IFRS 8 disclosure requirements in the financial statement, where applicable;	(c) the cost structure and revenue of its business segments, in line with IFRS 8 disclosure requirements in the financial statement, where applicable;	Moved Deleted from mandatory content and moved to NMIG
(d) the potential impacts, risks and opportunities in its significant sector(s) and their possible relationship to its own business model or value chain.	(d) the potential impacts, risks and opportunities in its significant sector(s) and their possible relationship to its own business model or value chain.	Deleted

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
		For simplification purposes reflecting a less granular approach to narrative disclosure.
AR 15. Contextual information may be particularly relevant for users of the undertaking's sustainability statement, to understand to what extent the disclosures include upstream and/or downstream value chain information. The description of the main features of the upstream and/or downstream value chain and where applicable the identification of key value chains should support an understanding of how the undertaking applies the requirements of ESRS 1 chapter 5 and the materiality assessment performed by the undertaking in line with ESRS 1 chapter 3. The description may provide a high-level overview of the key features of upstream and/or downstream value chain entities indicating their relative contribution to the undertaking's performance and position and explaining how they contribute to the value creation of the undertaking.	AR 15. Contextual information may be particularly relevant for users of the undertaking's sustainability statement, to understand to what extent the disclosures include upstream and/or downstream value chain information. The description of the main features of the upstream and/or downstream value chain and where applicable the identification of key value chains should support an understanding of how the undertaking applies the requirements of ESRS 1 chapter 5 and the materiality assessment performed by the undertaking in line with ESRS 1 chapter 3. The description may provide a high-level overview of the key features of upstream and/or downstream value chain entities indicating their relative contribution to the undertaking's performance and position and explaining how they contribute to the value creation of the undertaking.	Deleted For simplification purposes reflecting a less granular approach to narrative disclosure.
	<u>AR 7 for par. 17(b). Disclosing the list of significant sectors is relevant for users, as it supports the understanding of the material impacts (and as a consequence risks and opportunities) to which the undertaking is potentially connected, as they are common in a given sector. In addition, this supports the understanding of possible entity-specific information included in the sustainability statement to cover aspects that are either specific or common in a given sector.</u>	New This added AR together with the one below (AR 8 for par. 18b)) aims to guide undertakings in disclosing information on significant sectors.
	<u>AR 8 for para. 17(b). The undertaking is not considered to be active in the sectors of operations of its counterparts in the upstream and downstream value chain.</u>	New As calls for guidance on significant sectors were frequently made, this new AR aims to explain that counterparts are not to be considered when assessing the significant sector of reporting undertakings.
	<u>AR 9 for para. 17(c)(i). (i.e., it derives revenues from the fossil fuel sector, the undertaking shall include revenues from the exploration, mining, extraction, production, processing, storage, refining and/or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and the Council); including a disaggregation of revenues derived from coal, oil and gas, as well as the revenues derived from Taxonomy aligned economic activities related to fossil gas as required under Article 8(7)(a) of Commission Delegated Regulation 2021/21781.</u>	Moved/Deleted Moved from par. 40d)i) of the Delegated Act. Separate disclosure of revenues from Taxonomy aligned activities is deleted

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
Disclosure Requirement SBM-2 – Interests and views of stakeholders	Disclosure Requirement SBM-2 Interests and views of stakeholders	
43. The undertaking shall disclose how the interests and views of its stakeholders are taken into account by the undertaking's strategy and business model.	43. The undertaking shall disclose how the interests and views of its stakeholders are taken into account by the undertaking's strategy and business model.	Deleted Deleted this para. to avoid repetitions
44. The objective of this Disclosure Requirement is to provide an understanding of how <i>stakeholders'</i> interests and views inform the undertaking's strategy and <i>business model</i> .	44. <u>19.</u> The objective of this <u>DR</u> is to provide an understanding of <u>the undertaking's stakeholder engagement</u> and whether and how stakeholders' interests and views <u>are brought to the attention of its administrative, management and supervisory bodies</u> and inform its strategy and business model.	Amended
45. The undertaking shall disclose a summarised description of: (a) its stakeholder engagement, including: i. the undertaking's key stakeholders; ii. whether engagement with them occurs and for which categories of stakeholders ; iii. how it is organised; iv. its purpose; and v. how its outcome is taken into account by the undertaking;	45. 20. The undertaking shall disclose (a) a summarised description of its stakeholder engagement, including — i. the undertaking's key stakeholders; ii. <u>whether engagement with them occurs and for information about the which key categories of stakeholders with which it engaged;</u> iii. how it is organised; iv. its purpose; and — v. how its outcome is taken into account by the undertaking;	Amended Points iii and iv) deleted from mandatory content and moved to NMIG Other points deleted to streamline and reduce the granularity of this provision in line with the results of the public survey
(b) the undertaking's understanding of the interests and views of its key stakeholders as they relate to the undertaking's strategy and business model , to the extent that these were analysed during the undertaking's due diligence process and/or materiality assessment process (see Disclosure Requirement IRO-1 of this Standard);	(b) the undertaking's <u>its</u> understanding of the interests and views of its key stakeholders as they relate to the undertaking's <u>its</u> strategy and business model , to the extent that these were analysed during the undertaking's due diligence process and/or materiality assessment process (see Disclosure Requirement IRO-1 of this Standard);	Amended To streamline and reduce the granularity of this provision
(c) where applicable, amendments to its strategy and/or business model, including: i. how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders; ii. any further steps that are being planned and in what timeline; and iii. whether these steps are likely to modify the relationship with and views of stakeholders; and	(c) where applicable, amendments to its strategy and/or business model, including: i. how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders; ii. any further steps that are being planned and in what timeline; and iii. whether these steps are likely to modify the relationship with and views of stakeholders; and	Deleted Boilerplate disclosure and redundant (interviews and public survey)
(d) whether and how the administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders with regard to the undertaking's sustainability-related impacts.	d) c) whether and how the administrative, management and supervisory bodies are informed about the views and interests of <u>key affected stakeholders (including workers' representatives)</u> with regard to <u>the undertaking's sustainability-related impacts its material impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics).</u>	Amended Clarified, by using language from CSRD Art. 19a. 5. Limited to key stakeholders. Reflect the flexibility in terms of granularity (IROs versus topics).

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
AR 16. The views and interests of stakeholders that are expressed as part of the undertaking's engagement with stakeholders through its due diligence process may be relevant to one or more aspects of its strategy or business model. As such, they may affect the undertaking's decisions regarding the future direction of the strategy or business model.	AR 16. The views and interests of stakeholders that are expressed as part of the undertaking's engagement with stakeholders through its due diligence process may be relevant to one or more aspects of its strategy or business model. As such, they may affect the undertaking's decisions regarding the future direction of the strategy or business model.	Moved Deleted from mandatory content and moved to NMIG
	AR 11 for para. 20(a) (new) Key stakeholders refer to key categories of affected stakeholders (as defined in ESRS 1 AR 10).	New This added AR clarifies and connects with the definitions provided in ESRS 1.
Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement SBM-3 Material impacts, risks and opportunities and their interaction of material impacts, risks and opportunities with strategy and business model, and financial effects	Amended Changed title to reflect the changes in the content
46. The undertaking shall disclose its material impacts, risks and opportunities and how they interact with its strategy and business model.	46. The undertaking shall disclose its material impacts, risks and opportunities and how they interact with its strategy and business model.	Deleted Deleted this par. to avoid repetitions
47. The objective of this Disclosure Requirement is to provide an understanding of the material impacts, risks and opportunities as they result from the undertaking's materiality assessment and how they originate from and trigger adaptation of the undertaking's strategy and business model including its resources allocation. The information to be disclosed about the management of the undertaking's material impacts, risks and opportunities is prescribed in topical ESRS and in sector-specific standards, which shall be applied in conjunction with the Minimum Disclosure Requirements on policies, actions and targets established in this Standard.	47. 21. (47 amended) The objective of this DR is to provide an understanding of the interactions between the undertaking's material impacts, risks and opportunities, as they result from the undertaking's materiality assessment and how they originate from and trigger adaptation of the undertaking's strategy and business model including its resources allocation and its strategy and business model, at the appropriate level of aggregation, i.e. individually, aggregated or at topic level, including financial effects. The information to be disclosed about the management of the undertaking's material impacts, risks and opportunities is prescribed in topical ESRS and in sector-specific standards,, which shall be applied in conjunction with the Minimum Disclosure Requirements on policies, actions and targets established in this Standard.	Amended The former content of SBM 3 is now split in two: the part that regards the interaction between IROs and strategy/business model is kept in SBM 3 (to allow for more focused disclosure at strategy level) and the list of IROs with their descriptions is moved to IRO 2. IRO 2 being now the "outcome of DMA". This adaptation also reflects the messages received in the targeted interviews and public call to better define what SBM disclosures ask as opposed to IRO disclosures. Companies have the flexibility to stay at "topical" only level here, if this reflects the way they manage their IROs.
48. The undertaking shall disclose:	48. The undertaking shall disclose:	
(a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;	48. 22. The undertaking shall provide a brief high-level description of its the interaction of the material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), with its business model, value chain, strategy and decision-making including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated. This includes how material impacts originate from its strategy and business model, and how material	Moved Par. 48a) moved to IRO-2 Change to reflect the fact that we delete the details below. The description of IROs is moved to IRO 2.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<u>risks and opportunities affect or may affect substantially its strategy and business model, as well as how the undertaking has addressed or plans to address them.</u>	
(b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;	(b) 23. The undertaking shall disclose the current and anticipated financial effects of its material risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities. This includes:	Amended
(c) with reference to the undertaking's material impacts:	(c) with reference to the undertaking's material impacts:	Deleted
i. how the undertaking's material negative and positive impacts affect (or, in the case of potential impacts, are likely to affect) people or the environment;	i. how the undertaking's material negative and positive impacts affect (or, in the case of potential impacts, are likely to affect) people or the environment;	Moved Covered in IRO-2 para. 28 (a) where the general description of IROs has been moved
ii. whether and how the impacts originate from or are connected to the undertaking's strategy and business model;	ii. whether and how the impacts originate from or are connected to the undertaking's strategy and business model;	Moved Moved to par. 22) above
iii. the reasonably expected time horizons of the impacts; and	iii. the reasonably expected time horizons of the impacts; and	Deleted
iv. whether the undertaking is involved with the material impacts through its activities or because of its business relationships, describing the nature of the activities or business relationships concerned;	iv. whether the undertaking is involved with the material impacts through its activities or because of its business relationships, describing the nature of the activities or business relationships concerned;	Moved Simplified and included in IRO-2 para. 28 (a) where the general description of IROs has been moved
(d) the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	<u>(a) the effects on its financial position, financial performance and cash flows for the reporting period (current financial effects), by reference to the financial statements where this information is presented;</u> d) the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	Amended Simplified with an explicit and direct reference to the financial statements.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
<p>(e) the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration:</p>	<p><u>OPTION 1</u> (e) (b) the anticipated effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium and long-term, including the reasonably expected time horizons for those effects, including the time horizons (short, medium or long term) for which those effects could reasonably be expected to occur. This shall be done by taking into consideration how risks and opportunities are included in the undertaking's financial planning for the various time horizons used for strategic management purposes. This shall be done by separately disclosing those for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. (c) if the undertaking cannot provide quantitative information about the current or anticipated financial effects of a risk or opportunity applying the criteria set out in AR 19, it shall: (i.) explain why it has not provided quantitative information; ii.) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that risk or opportunity; and (iii.) provide quantitative information about the combined financial effects of that risk or opportunity with other risks or opportunities and other factors, unless the undertaking determines that quantitative information about the combined financial effects would not be useful. [Last sentence of 48e) regarding the sub-clauses i. and ii. in Delegated Act moved to AR 15 for para. 24]</p> <p><u>OPTION 2</u> (b) qualitative information about anticipated financial effects on its financial position, financial performance and cash flows, including the time horizons (short, medium or long term) for which those effects could reasonably be expected to occur. This shall be done by taking into consideration how risks and opportunities are included in the undertaking's financial planning and how they relate to the various time-horizons the undertaking uses for management and strategic purposes. This shall be done by separately disclosing those for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. In addition, the undertaking may present quantitative information about anticipated financial effects.</p>	<p>Amended</p> <p>The disclosure of anticipated financial effects has been a topic of considerable debate within the SRT and SRB, with differing views expressed. This provision attracted comments from both preparers and respondents to the public survey, emphasizing that such disclosures are challenging and subject to a high degree of uncertainty.</p> <p>To address these concerns, the SRB decided to include two alternative options and to seek further input through a targeted question in the public consultation questionnaire:</p> <p>Option 1: Quantitative information is mandatory. If it cannot be disclosed, reliefs inspired by IFRS S1 apply, and the undertaking must provide qualitative information instead.</p> <p>Option 2: Qualitative information is mandatory, while quantitative information is provided on a voluntary basis.</p> <p>To enhance flexibility in quantitative disclosures, the option to report either single amounts or ranges has also been included.</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<u>AR 12 for para. 22. The description of the interaction of impacts, risks and opportunities with the undertaking's business model, value chain, strategy and decision-making shall be provided at the appropriate level of aggregation, either individually or at a higher level (groups of impacts, risks and opportunities or related topics) to reflect the level at which the undertaking manages them.</u>	New New methodological AR, to clarify the appropriate level of aggregation at which an undertaking shall disclose the related information, giving flexibility and discouraging unnecessary excessive details.
	<u>AR 13 for para. 22. This DR is focused on the explanation of the interaction between material impacts, risks and opportunities on the one hand and business model and strategy, on the other hand. A description of them is required in accordance with IRO 2 paragraph 28(a). The undertaking may present the descriptions of its material impacts, risks and opportunities in the same location as its disclosures on the related policies, actions, targets and metrics through which it addresses them, in order to avoid duplication and support a coherent narrative.</u>	New New methodological AR, to support more connectivity between IRO disclosure and PAT disclosure, avoid repetition and support better understanding.
	<u>AR 14 for para. 22. Information on how the undertaking addresses or plans to address its material impacts, risks and opportunities which interact with its business model or strategy, includes a clear reference to, the specific policies, actions, targets and other measures it implemented during the reporting period to manage them, as disclosed in line with the General Disclosure Requirements and the relevant topical standards.</u>	New New methodological AR, to support more relevant and focused disclosure.
	<u>AR 15 for para. 23. In preparing disclosures about its anticipated financial effects, an undertaking shall use reasonable and supportable information available to it at the reporting date without undue cost or effort (see paragraphs 88, 89 and 90 of ESRS 1).</u>	New Undue cost or effort relief added.
i. its investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the undertaking is not contractually committed to; and	48e) <u>AR 16 for para. 23 (b). In preparing the disclosure on anticipated financial effects, the undertaking shall consider how it expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration:</u> + <u>(a) its announced investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans to which the undertaking is not contractually committed; and</u>	Moved/ Amended Formerly a separate datapoints, it represents now in AR granular specification of content already in the main body of the standard. [Last sentence of 48e) sub-clause i. in Delegated Act moved to AR 15. for para. 24]
ii. its planned sources of funding to implement its strategy”.	+ <u>(b) its planned sources of funding to implement its strategy.</u>	Moved/ Amended Formerly a separate datapoints, it represents now in AR granular specification of content already in the main body of the standard.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
		[Last sentence of 48e) sub-clause ii. in Delegated Act moved to AR 15. for para. 24]
	<p>OPTION 1</p> <p>AR 17. for par. 23 (b) An undertaking need not provide quantitative information about the current or anticipated financial effects if it determines that:</p> <p><u>(a) the effects related to a specific topic (or its impact(s), risk(s) and opportunities) are not separately identifiable from those related to another topic or impact, risk or, opportunity; or</u></p> <p><u>(b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful (see paragraphs 94 and 95 of ESRS 1), such as when there is no reasonable and supportable information derived from its business plans to be used as input in the calculation of anticipated long-term financial effects.</u></p>	<p>New</p> <p>Methodology linked to the calculation of financial effects if the relief in Option 1 I used. It refers to the conditions to use the reliefs. Language aligned inspired from IFRS with amendments. Differently from IFRS relief: (1) use of business plans as source, to limit the evidence necessary when qualifying for the relief. Compared to IFRS relief (2) lack of skills are not a reason to omit quantitative information.</p>
(f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons).	<p>(f) 24. The undertaking shall disclose information about the resilience of the undertaking's its strategy and business model regarding its capacity to address its material impacts and risks, either individually or at a higher level (i.e. groups of risks or related topics). The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the its resilience to the material risks disclosed in accordance with paragraph 22, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons) considered. <u>Topical ESRS may set specific requirements about resilience.</u></p>	<p>Amended</p> <p>Better specified that the related information should be disclosed only in relation to material risks with implications with strategy and business model (not in relation to all risks), in line with the provision of CSRD art. 19 (a). This is to support more focused reporting and avoid unnecessary details.</p> <p>Resilience is now only qualitative information, no quantitative.</p> <p>Resilience is now limited to risks only (no impacts or opportunities).</p>
When providing quantitative information, the undertaking may disclose single amounts or ranges;	<p>48 (f) AR 18 for para. 23. (48(f) amended) When providing quantitative information, the undertaking may <u>present</u> single amounts or ranges</p>	<p>Moved</p> <p>Moved to AR and amended.</p>
(g) changes to the material impacts, risks and opportunities compared to the previous reporting period; and	<p>(g) 28c) changes to the material impacts, risks and opportunities compared to the previous reporting period; and</p>	<p>Moved</p> <p>Moved to para. 28c) in IRO-2 – See below In line with the decision taken to move in IRO-2 the IROs general description</p>
(h) a specification of those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by the undertaking using additional entity-specific disclosures	<p>h) a specification of those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by the undertaking using additional entity specific disclosures</p>	<p>Deleted</p> <p>Simplification</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
49. The undertaking may disclose the descriptive information required in paragraph 46 alongside the disclosures provided under the corresponding topical ESRS, in which case it shall still present a statement of its material impacts, risks and opportunities alongside its disclosures prepared under this chapter of ESRS 2.	49. The undertaking may disclose the descriptive information required in paragraph 46 alongside the disclosures provided under the corresponding topical ESRS, in which case it shall still present a statement of its material impacts, risks and opportunities alongside its disclosures prepared under this chapter of ESRS 2.	Deleted Deleted and replaced in AR 24 of IRO-2
AR 17 When describing where in its upstream and/or downstream value chain material impacts, risks and opportunities are concentrated, the undertaking shall consider: geographical areas, facilities or types of assets, inputs, outputs and distribution channels	AR 17 When describing where in its upstream and/or downstream value chain material impacts, risks and opportunities are concentrated, the undertaking shall consider: geographical areas, facilities or types of assets, inputs, outputs and distribution channels	Moved Deleted from mandatory content and moved to NMIG
AR 18 This disclosure may be expressed in terms of a single impact, risk or opportunity or by aggregating groups of material impacts, risks and opportunities, when this provides more relevant information and does not obscure material information	AR 18 This disclosure may be expressed in terms of a single impact, risk or opportunity or by aggregating groups of material impacts, risks and opportunities, when this provides more relevant information and does not obscure material information	Moved Simplified and moved to AR 23 of IRO-2
4.1 Disclosures on the materiality assessment process 50. This chapter sets disclosure requirements that enable an understanding of:	4.1 Disclosures on the materiality assessment process 50. This chapter sets disclosure requirements that enable an understanding of:	Deleted Removed to avoid repetitions
(a) the process to identify material impacts, risks and opportunities; and	(a) the process to identify material impacts, risks and opportunities; and	Deleted Removed to avoid repetitions
(b) the information that, as a result of its materiality assessment, the undertaking has included in its sustainability statement.	(b) the information that, as a result of its materiality assessment, the undertaking has included in its sustainability statement.	Deleted Removed to avoid repetitions
Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities <u>and material information to be reported</u>	Amended Reflect changes in the content
51. The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.	51. The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.	Deleted Deleted to avoid repetitions
52. The objective of this Disclosure Requirement is to provide an understanding of the process through which the undertaking identifies impacts, risks and opportunities and assesses their materiality, as the basis for determining the disclosures in its sustainability statement (see ESRS 1 chapter 3 and its related Application Requirements, which set out requirements and principles regarding the process to identify and assess	52. 25. The objective of this <u>DR</u> is to provide an understanding of the process through which the undertaking identifies impacts, risks, opportunities, <u>and the related topic</u> and assesses their materiality, as the basis for determining the disclosures to be made in its sustainability statement (see ESRS 1 Chapter 3 <u>and its related Application Requirements, which set out requirements and principles</u>	Amended Reflecting the more flexible approach to granularity (IRO versus topics).

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
material impacts, risks and opportunities based on the principle of double materiality).	regarding the process to identify and assess material impacts, risks and opportunities based on the principle of double materiality)).	
53. The undertaking shall disclose the following information:	53. 26. The undertaking shall disclose the following information:	Amended Editorial amendment
(a) a description of the methodologies and assumptions applied in the described process;	(a) a description of an overview of the process, the key methodologies and assumptions applied in the described process, the input parameters used and key data sources, and how it determines qualitative or quantitative thresholds;	Amended Simplified and reduced granularity in line with the results of the public survey. Less prescriptive approach to granular disclosure.
(b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, "including an explanation of whether and how the process:	(b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, "including an explanation of whether and how the process:	Moved Merged with par. 26 c) below.
i. focusses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts;	± (b) the scope of operations and value chain covered, with an indication of whether it focusses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts;	Amended Clarifies own operations and value chain inclusion
ii. considers the impacts with which the undertaking is involved through its own operations or as a result of its business relationships;	ii. considers the impacts with which the undertaking is involved through its own operations or as a result of its business relationships;	Moved Merged with par. 27a) above
iii. includes consultation with affected stakeholders to understand how they may be impacted and with external experts;	iii. (d) whether and how the process includes consultations with affected stakeholders to understand how they may be impacted and with external experts and external experts to understand the impacts;	Amended Editorial
iv. prioritises negative impacts based on their relative severity and likelihood, (see ESRS 1 section 3.4 Impact materiality) and, if applicable, positive impacts on their relative scale, scope and likelihood, and determines which sustainability matters are material for reporting purposes, including the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.4 Impact materiality;	iv. (c) whether and how the undertaking prioritises negative impacts based on their relative severity and likelihood, (see ESRS 1 section 3.4 Impact materiality) and, if applicable, positive impacts on their relative scale, scope and likelihood, and determines which sustainability matters are material for reporting purposes, including the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.4 Impact materiality and whether this is informed by the undertaking's due diligence process;	Amended Simplified the first part by deleting the ESRS 1 references and added the reference to due diligence from par. 53b) of the Delegated Act above.
(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include:	(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include	Moved Merged with par. 27a) above
i. how the undertaking has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies;	i. (e) how the undertaking it has considered the connections of its impacts and dependencies with the risks and opportunities that may	Amended

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	arise from those impacts and dependencies in the identification and assessment of its risks and opportunities; (e) the approach used to consider impacts and dependencies in the identifying and assessing its risks and opportunities	Streamlined language
ii. How the undertaking assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities (such as the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.3 Financial materiality));	ii. How the undertaking assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities – (such as the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.3 Financial materiality));	Deleted Reduced granularity
iii. How the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools;	iii. How the undertaking prioritises sustainability- (f) whether and how the undertaking prioritises sustainability risks relative to other types of business risks, including its use of risk - assessment tools;	Amended Editorial
(d) a description of the decision-making process and the related internal control procedures;	(d) (g) a description of the decision-making process and the related internal control procedures; and,	Amended Less prescriptive language.
(e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes;	(e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes;	Deleted Part of the reduction of narrative datapoints, assessed to have a lower priority compared to other datapoints.
(f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;	(f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;	Deleted Part of the reduction of narrative datapoints, assessed to have a lower priority compared to other datapoints.
(g) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and	(g) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and	Moved Merged with par. 26a) above
(h) whether and how the process has changed compared to the prior reporting period, when the process was modified for the last time and future revision dates of the materiality assessment.	(h) (h) whether and how the process has changed compared to the prior reporting period, when the process was modified for the last time and future revision dates of the materiality assessment.	Amended/deleted Future revision dates of DMA not more requested.
	<u>AR 19. for para. 26 (a) (new) Input parameters may include — where relevant and beyond generic information — due diligence processes leveraged, specific data sources, sector benchmark analysis, and key inputs.</u>	New AR added to better specify the meaning of input parameters.
	<u>AR 20. For para. 26 (b) – (g) (new) Information outlined under (b) – (g) specifies, rather than expand the disclosures outlined under (a). The undertaking shall focus on information that is specific to its own process. It shall avoid standardised, generic disclosures, sometimes referred to as “boilerplate”, such as information describing in detail</u>	New AR added to support the disclosure on the DMA process and avoid boilerplate disclosure.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<u>that the undertaking applied the criteria outlined in ESRS 1 and/or followed the recommended process</u>	
	AR 21. for para. 26 (c) (new) Information concerning <u>engagement with affected stakeholders</u> is addressed in IRO-1 and SBM-2, and in <u>ESRS S1-S4</u> . Relevant disclosures under IRO-1, paragraph 26(d), include whether <u>and how the materiality process includes consultation with affected stakeholders and external experts</u> . Information on ongoing engagement with affected stakeholders (as defined in [Draft] Amended ESRS 1 AR 10) is addressed in the respective social standards. <u>Disclosures related to whether and how key affected stakeholders' (including workers' representatives') interests and views are brought to the attention of the undertakings's administrative, management and supervisory bodies and inform its strategy and business model, with regard to its material impacts, risks and opportunities are covered under SBM-2.</u>	New AR added to explain how to navigate between different DRs that touch on stakeholder engagement.
	<u>AR 22 for para. 26 (a)–(e) When the undertaking screens site locations, assets and business activities in its own operations and, where appropriate, in its upstream and downstream value chain, to evaluate heightened risks of adverse environmental impacts, the approach to such screening is a relevant aspect of disclosures addressed in (a) to (e).</u> <u>Location-specific considerations include how a site or asset interacts with local context, taking into account, for example:</u> <u>(a.) local air, water and soil quality;</u> <u>(b) water availability in areas at water risk; and</u> <u>(c) threatened species and ecosystems in biodiversity-sensitive areas.</u> <u>The first three phases of the LEAP approach, as outlined in the guidance provided by the Taskforce on Nature-related Financial Disclosures ('TNFD'), offer a useful reference for how to (i) locate where in own operations and along the value chain the interface with nature takes place, (ii) evaluate the dependencies and impacts, and (iii) assess risks and opportunities.</u>	Moved Moved and merged from E topical standards. This AR was added to underline the relevance of Location-specific considerations when assessing adverse environmental impacts. The change reflect the restructuring of the architecture (no more IROs in topical standards).
Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's <u>Material impacts, risks and opportunities and Disclosure Requirements included in the sustainability statement</u>	Amended Editorial
54. The undertaking shall report on the Disclosure Requirements complied with in its sustainability statements.	54. The undertaking shall report on the Disclosure Requirements complied with in its sustainability statements.	Deleted Deleted this par. To avoid repetitions

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
55. The objective of this Disclosure Requirement is to provide an understanding of the Disclosure Requirements included in the undertaking's sustainability statement and of the topics that have been omitted as not material, as a result of the materiality assessment.	55- 27. The objective of this <u>DR</u> is to provide an understanding of the <u>Disclosure Requirements included in the undertaking's sustainability statement and of the topics that have been omitted as not material, as a result of the materiality assessment outcome of the materiality assessment, in terms of material impacts, risks and opportunities and material information reported in accordance with ESRS DRs.</u>	Amended Reflecting the changed content
	48- 28. The undertaking shall disclose: (a) a <u>brief concise</u> description of its <u>actual and potential, positive and negative</u> material impacts, <u>including how they affect or are likely to affect people or the environment</u> , as well as its material risks and opportunities <u>resulting from its materiality assessment (see Disclosure Requirement IRO 1 of this standard), including a description of specifying the related topics and how and where impacts, risks and opportunities are connected to</u> its business model, its own operations and its upstream and downstream value chain <u>these material impacts, risks and opportunities are concentrated;</u>	Moved Moved and amended from SBM-3 par. 48a) in the Delegated Act. IRO 2 is now the place where to find "the outcome of the DMA" entirely, i.e. IROs an material reported information.
	48 (g) <u>28 (c)</u> changes <u>related to the</u> its material impacts, risks and opportunities compared to the previous reporting period;	Moved Moved and amended from SBM-3 par. 48g) in the Delegated Act
56. The undertaking shall include a list of the Disclosure Requirements complied with in preparing the sustainability statement, following the outcome of the materiality assessment (see ESRS 1 chapter 3), including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement. This may be presented as a content index. The undertaking shall also include a table of all the datapoints that derive from other EU legislation as listed in Appendix B of this standard, indicating where they can be found in the sustainability statement and including those that the undertaking has assessed as not material, in which case the undertaking shall indicate "Not material" in the table in accordance with ESRS 1 paragraph 35.	56 (c) a list of the <u>DRs</u> complied with in preparing the sustainability statement <u>following the outcome of the materiality assessment (see ESRS 1 chapter 3), including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement. This may be presented as a content index, allowing to identify where the related disclosures are located in the sustainability statement and giving a separate indication of those that are incorporated by reference (ESRS 1 Chapter 9.3);</u> (f) <u>The undertaking shall also include a table of all the datapoints that derive from other EU legislation as listed in Appendix B of this Standard, indicating where they can be found in the sustainability statement or, for those that the undertaking has assessed as not material, , in which case the undertaking shall indicate that they are "Not material" in the table in accordance with ESRS 1 paragraph 35.</u>	Amended Split the requirement in two separate disclosures to better distinguish the two different information. Datapoint on list of disclosures incorporated by reference is also moved here to foster integrated and less repetitive disclosure.
57. If the undertaking concludes that climate change is not material and therefore omits all disclosure requirements in ESRS E1 Climate change, it shall disclose a detailed explanation of the conclusions of its materiality assessment with regard to climate change (see ESRS 2 IRO Disclosure Requirements in ESRS covered by the undertaking's sustainability statement), including a forward-looking analysis of the conditions that	57- 28 (b) if the undertaking <u>it</u> concludes that climate change is not material and therefore omits all DRs in [Draft] Amended ESRS E1 Climate change, <u>it shall disclose a detailed explanation of the conclusions of its materiality assessment with regard to climate change (see ESRS 2 IRO Disclosure Requirements in ESRS covered by the undertaking's sustainability statement), including a forward-</u>	Amended Simplified. Less details now are required when climate is omitted.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
could lead the undertaking to conclude that climate change is material in the future.	looking analysis of the conditions that could lead the undertaking to conclude that climate change is material in the future <u>the basis for that conclusion;</u>	
	<u>28 (e) if the undertaking is connected through its own operations or upstream and downstream value chains to material impacts, risks and opportunities related to forced or compulsory labour or child labour, it shall disclose its exposure to the heightened risk of incidents related to child labour and forced or compulsory labour by type of operations (such as manufacturing plant), or by countries or geographies with operations[1]. This disclosure relates to [Draft] Amended ESRS S1 and [Draft] Amended ESRS S2; and</u>	Moved Moved from Social Standards S1 and S2 here
58. If the undertaking concludes that a topic other than climate change is not material and therefore omits all the Disclosure Requirements in the corresponding topical ESRS, it may provide a brief explanation of the conclusions of its materiality assessment for that topic.	58. If the undertaking concludes that a topic other than climate change is not material and therefore omits all the Disclosure Requirements in the corresponding topical ESRS, it may provide a brief explanation of the conclusions of its materiality assessment for that topic.	Deleted Voluntary datapoints are deleted.
59. The undertaking shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS 1 section 3.2 Material matters and materiality of information.	59. The undertaking shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS 1 section 3.2 Material matters and materiality of information.	Deleted Reduced granularity
AR 19. Notwithstanding the basis for the presentation of the information about sustainability matters included in ESRS 1 chapter 8 Structure of sustainability statement, the undertaking may disclose the list of the Disclosure Requirements complied with in preparing the sustainability statement (see paragraph 54) in the general information part or in other parts of the sustainability statement as it deems appropriate. The undertaking may use a content index, i.e., a tabular list of the Disclosure Requirements included in the sustainability statement, with the indication of where they are located (page/paragraphs).	AR 19 AR 25. for para. 28 (d) Notwithstanding the basis for the presentation of the information about sustainability matters included in ESRS 1 chapter 8 Structure of sustainability statement, the undertaking may disclose the list of the Disclosure Requirements complied with in preparing the sustainability statement (see paragraph 54) in the general information part or in other parts of the sustainability statement as it deems appropriate. The undertaking may use The undertaking may present the disclosure as a content index, i.e., a tabular list of the Disclosure Requirements included in the sustainability statement, with to support the identification of where they are located (page/paragraphs) and it may present the list of information incorporated by reference in an appendix within its sustainability statement or by integrating the necessary information in the list of reported DRs as required in paragraph 28 (d).	Amended To support more integration and less repetitive information.
	<u>AR 23. for para. 28 (a) The description of its material impacts, risks and opportunities shall be provided at the appropriate level of aggregation, either individually or for group(s) of impacts, risks and opportunities, or for the related topic(s), depending on the nature of</u>	New New AR to reflect proper level of aggregation as done across ESRS.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<u>the impacts, risks and opportunities and reflecting the level at which the undertaking manages them.</u>	This guideline is central to determine the right level of aggregation. This should address the issue of excessive unnecessary details at IRO level, as topical level is allowed when this reflect the nature of IROs and how they are managed. This also puts the managerial approach at the centre of this disclosure.
	<u>AR 24. for para. 28 (a) The undertaking may present the description of its material impact, risk or opportunity in the same location as its disclosures on the related policies, actions, targets and metrics through which it addresses them, in order to avoid duplication and support a coherent narrative. If the undertaking exercises this option, it shall still present a concise description of its material impacts, risks and opportunities alongside its disclosures prepared in accordance with IRO-2.</u>	New New AR to avoid duplications between IROs and PATS across ESRS. To foster more connected and relevant information.
	<u>General Disclosure Requirements for Policies, Actions, Metrics and Targets</u> 29. Information about policies, actions and targets shall enable an understanding of the level at which the undertaking is addressing its material impacts, risks and opportunities, i.e. at topic or sub-topic level. In instances where the undertaking has adopted policies or put in place actions or set targets for certain aspects only, this shall be reflected in the way the disclosure is prepared and presented, enabling an understanding of how the covered aspects relate to the corresponding material impacts, risks and opportunities.	New Better specified the level of aggregation at which an undertaking shall disclose the information. Better reflect managerial approach and avoids unnecessary reporting.
4.2 Minimum disclosure requirements on policies and actions 60. This section sets out minimum disclosure requirements to be included when the undertaking discloses information on its policies and actions to prevent, mitigate and remediate actual and potential material impacts , to address material risks and/or to pursue material opportunities (collectively, to “manage material sustainability matters ”). They shall be applied together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical and sector-specific ESRS. They shall also be applied when the undertaking prepares entity-specific disclosures.	4.2 Minimum disclosure requirements on policies and actions 60. This section sets out minimum disclosure requirements to be included when the undertaking discloses information on its policies and actions to prevent, mitigate and remediate actual and potential material impacts, to address material risks and/or to pursue material opportunities (collectively, to “manage material sustainability matters”). They shall be applied together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical and sector-specific ESRS. They shall also be applied when the undertaking prepares entity-specific disclosures.	Deleted
61. The corresponding disclosures shall be located alongside disclosures prescribed by the relevant ESRS. When a single policy or same actions address several interconnected sustainability matters , the undertaking may disclose the required information in its reporting under one topical ESRS and cross reference to it in its reporting under other topical ESRS.	61. The corresponding disclosures shall be located alongside disclosures prescribed by the relevant ESRS. When a single policy or same actions address several interconnected sustainability matters, the undertaking may disclose the required information in its reporting under one topical ESRS and cross reference to it in its reporting under other topical ESRS.	Deleted Replaced with AR 26 for para. 29

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
62. If the undertaking cannot disclose the information on policies and actions required under relevant ESRS, because it has not adopted policies and/or actions with reference to the specific sustainability matter concerned, it shall disclose this to be the case, and provide reasons for not having adopted policies and/or actions. The undertaking may disclose a timeframe in which it aims to adopt them.	62. 30. If the undertaking has not adopted cannot disclose the information on policies, and actions and targets required under relevant ESRS, because it has not adopted policies and/or actions with reference to the specific sustainability matter concerned, with reference to a topic related to material impacts, risks and opportunities, it shall disclose this fact. this to be the case, and provide reasons for not having adopted policies and/or actions. The undertaking may disclose a timeframe in which it aims to adopt them.	Amended Merged all provisions if the undertaking has not adopted PAT
	<u>31. If the undertaking categorises its material impacts, risks and opportunities in accordance with a set of management priorities, reflecting their relevance to the undertaking's strategy and business model, the way disclosures are structured and presented may reflect this approach.</u>	New Better specified the disclosure of material IROs in relation to the management priorities. It allows to better reflect managerial approach to IROs. It allows to have different level of details for different issues when they have different priorities in the way sustainability topics/IROs are managed.
	<u>32. (56) The undertaking shall apply the requirements provided in this section, when it discloses either in accordance with a topical standard or on an entity-specific basis, on policies, actions, targets and metrics related to material impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics), covering:</u> <u>(a) its policies, actions and targets which address the prevention, mitigation and remediation of actual and potential material impacts to address material risks and/or to pursue material opportunities; or</u> <u>(b) the metrics to assess progress over time in relation to its material impacts, risks and opportunities.</u>	New To specify the link with topical ESRS .
	<u>APPLICATION REQUIREMENTS ARs</u>	
	<u>AR 26 for para. 29</u> <u>Where the undertaking applies the same policies, actions, metrics and/or targets across more than one material impact, risk and/or opportunity (or topic), it may disclose the information just once, in aggregate, reflecting the level at which they are managed, while making clear the scope of its application. It may cross-refer to that information from other locations in the report where it is relevant.</u>	New Clarified that when the same policies, actions, metrics and/or targets across more than one material impact, risk and/or opportunity (or topic) the undertaking may disclose the information just once. This responds to the comments received during the outreach events and the public survey. Discouraging repetition.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<p>AR 27 for para. 30</p> <p><u>When the undertaking uses a tabular form for presenting its material impacts, risks and opportunities (IRO-2 paragraph 28 (a)) and the related topics, it can indicate the material topics and/or material impacts, risks and opportunities for which it has not in place policies, actions or targets, by using a check mark in the table.</u></p>	<p>New</p> <p>Disclosure of which topics related to material IROs are not covered by implemented PAT is still required however this way of presenting it in a single place with the list of IROs (or topics) avoids repetition.</p> <p>Disclosure of a timing for adoption and whether PAT will be adopted is deleted.</p>
	<p>AR 28. for para. 29</p> <p><u>The information provided may vary in the level of detail provided with regard to each DR, depending on the nature of material impacts, risks and opportunities, and on differences in the undertaking's current approach to their management. The information should, wherever possible, be specific to the reporting period and avoid generic descriptions except where necessary to enable an understanding of the undertaking's current approach to manage its material impacts, risks and opportunities.</u></p> <p><u>When reporting on policies, actions and targets, the undertaking shall report relevant information, avoiding information that is boilerplate, and therefore not relevant for users for example when policies and actions have been implemented to comply with law and regulation, or when the necessary information is already provided in accordance with [Draft] Amended ESRS 2 SBM-1.</u></p>	<p>New</p> <p>Added to clarify that an undertaking shall report relevant information and avoid boilerplate.</p>
	<p>AR 29. for para. 32</p> <p><u>The undertaking may present the description of its material impacts, risks and opportunities, as required under IRO-2, paragraph 28(a), alongside information about the policies, actions, targets and metrics through which it addresses them, to avoid duplication and support a coherent narrative.</u></p>	<p>New</p> <p>Added to avoid duplication of information and foster better connectivity.</p>
<p>Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters</p> <p>63. The undertaking shall apply the minimum disclosure requirements defined in this provision when it discloses the policies it has in place with regard to each sustainability matter identified as material.</p>	<p>Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters</p> <p>63. The undertaking shall apply the minimum disclosure requirements defined in this provision when it discloses the policies it has in place with regard to each sustainability matter identified as material.</p>	<p>Deleted</p> <p>Removed as the information is prescribed in para. 33 below.</p>
<p>64. The objective of this Minimum Disclosure Requirement is to provide an understanding of the policies that the undertaking has in place to prevent, mitigate and remediate actual and potential impacts, to address risks and to pursue opportunities.</p>	<p><u>General Disclosure Requirement for policies – GDR-P</u></p> <p>64. 33. The objective of this GDR Minimum Disclosure Requirement is to provide an understanding of the policies that the undertaking has in place to address the prevention, mitigation mitigate and remediation of material actual and potential material impacts,</p>	<p>Amended</p> <p>Specified the added flexibility for level of aggregation.</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<u>manage material and, to address risks and to pursue material opportunities, either individually or at a higher level (i.e. groups of them or related topics), including an understanding of significant changes to the policies adopted during the reporting period.</u>	
65. The undertaking shall disclose information about policies adopted to manage material sustainability matters . The disclosure shall include the following information: (a) a description of the key contents of the policy , including its general objectives and which material impacts, risks or opportunities the policy relates to and the process for monitoring;	65. 34. The undertaking shall disclose <u>the following</u> information about policies adopted to manage material sustainability matters <u>impacts, risks and opportunities</u> : The disclosure shall include the following information: (a) a description of the key contents of the policy, including its general objectives, and material impacts, risks or opportunities <u>to which</u> the policy relates; and the process for monitoring;	Amended Editorial Amended Simplified
(b) a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain , geographies and if relevant, affected stakeholder groups;	(b) a description of the scope of the policy, or of its exclusions, in terms of <u>the undertaking's own operations, activities</u> , upstream and/or downstream <i>value chain</i> , geographies and, if relevant, affected <i>stakeholder</i> groups;	Amended Editorial
(c) the most senior level in the undertaking's organisation that is accountable for the implementation of the policy;	(c) the most senior level in the undertaking's organisation that is accountable for the implementation of the policy;	Deleted The feedback received in the public call and targeted interviews as well as benchmarking showed that this datapoint is rather redundant for most undertakings – therefore, it was deleted to simplify MDR.
(d) a reference, if relevant, to the third-party standards or initiatives the undertaking commits to respect through the implementation of the policy;	d) (c) when the policy refers to a reference, if relevant, to the third-party standards or initiatives the undertaking commits to respect through the implementation of the policy, a reference to such third-party standard or initiative; and	Amended Editorial
(e) if relevant, a description of the consideration given to the interests of key stakeholders in setting the policy; and	(e) (d) if relevant, for social topics, a description of the consideration given to the interests of affected key stakeholders in setting this the policy; and when applicable.	Amended Clarified and narrowed down to social topics
(f) if relevant, whether and how the undertaking makes the policy available to potentially affected stakeholders, and stakeholders who need to help implement it.	(f) if relevant, whether and how the undertaking makes the policy available to potentially affected stakeholders, and stakeholders who need to help implement it.	Deleted Deleted considering the results of the public survey

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<p><u>35. The undertaking shall disclose whether it has an overarching human rights policy committing to implement the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. If this is the case, the undertaking shall disclose the information according to the provision defined in paragraph 34. The human rights policy shall specify which groups of affected stakeholders are covered (for example, own workforce and workers in the value chain being distinct from consumers and end-users).</u></p>	<p>Moved</p> <p>SFDR datapoints moved from Social Standards (S1-S4). Moved from social standards, reflecting the new architecture.</p>
	<p>APPLICATION REQUIREMENTS ARs</p> <p><u>AR 30. for para. 35 (moved from Social AR as indicated in the Social PAT version zero)</u></p> <p><u>When disclosing on its human rights policy to implement the UN Guiding Principles on Business and Human Rights, the undertaking shall consider the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement them, and the ILO principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.</u></p>	<p>Moved</p> <p>Moved from social standards, reflecting the new architecture.</p>
<p>MDR P – AR</p> <p>AR 20. Due to the interdependency between impacts on people and the environment, risks and opportunities, a single policy may apply to several material sustainability matters, including matters addressed by more than one topical ESRS. For example, if a single policy covers both an environmental matter and a social matter, the undertaking may report on the policy in the environmental section of its sustainability statement. In this case, it should include in the social section a cross-reference to the environmental section where the policy is reported. Equally a policy may be reported in the social section with a cross-reference to it in the environmental section.</p>	<p>AR 20. Due to the interdependency between impacts on people and the environment, risks and opportunities, a single policy may apply to several material sustainability matters, including matters addressed by more than one topical ESRS. For example, if a single policy covers both an environmental matter and a social matter, the undertaking may report on the policy in the environmental section of its sustainability statement. In this case, it should include in the social section a cross-reference to the environmental section where the policy is reported. Equally a policy may be reported in the social section with a cross-reference to it in the environmental section.</p>	<p>Deleted</p> <p>Overlap with new ARs.</p>
<p>AR 21. The description of the scope of the policy may explain which activities and/or segments of the undertaking's own operations or upstream and downstream value chain it concerns. The description may also explain further boundaries relevant to the specific topic or the undertaking's circumstances, which may include geographies, life cycles, etc. In certain cases, such as if the policy does not cover the full value chain, the undertaking may provide clear information regarding the extent of the value chain covered by the policy.</p>	<p>AR 21. The description of the scope of the policy may explain which activities and/or segments of the undertaking's own operations or upstream and downstream value chain it concerns. The description may also explain further boundaries relevant to the specific topic or the undertaking's circumstances, which may include geographies, life cycles, etc. In certain cases, such as if the policy does not cover the full value chain, the undertaking may provide clear information regarding the extent of the value chain covered by the policy.</p>	<p>Deleted</p> <p>Overlap with new ARs.</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
<p>Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</p> <p>66. The undertaking shall apply the requirements for the content of disclosures in this provision when it describes the actions through which it manages each material sustainability matter including action plans and resources allocated and/or planned.</p>	<p>Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</p> <p><u>General Disclosure Requirement for actions and resources – GDR- A</u></p> <p>66. The undertaking shall apply the requirements for the content of disclosures in this provision when it describes the actions through which it manages each material sustainability matter including action plans and resources allocated and/or planned.</p>	<p>Deleted Removed as redundant</p>
<p>MDR-A</p> <p>67. The objective of this Minimum Disclosure Requirement is to provide an understanding of the key actions taken and/or planned to prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities, and where applicable achieve the objectives and targets of related policies.</p>	<p>MDR-A</p> <p>67-36. The objective of this Minimum GDR is to provide an understanding of the undertaking's key actions taken and/or planned to manage its material prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities, either individually or at a higher level (i.e. groups of them or related topics), so as to prevent, mitigate and remediate its material actual and potential impacts and to address its material risks and opportunities, and where applicable, achieve the objectives and targets of related policies.</p>	<p>Amended</p> <p>Flexibility in terms of level of aggregation specified.</p>
<p>68. Where the implementation of a policy requires actions, or a comprehensive action plan, to achieve its objectives, as well as when actions are implemented without a specific policy, the undertaking shall disclose the following information:</p> <p>(a) the list of key actions taken in the reporting year and planned for the future, their expected outcomes and, where relevant, how their implementation contributes to the achievement of policy objectives and targets;</p>	<p>68-37. Where the implementation of a policy requires actions or a comprehensive action plan, to achieve its objectives, as well as when actions are implemented without a specific policy, When the undertaking implements key actions to manage material impacts, risks and opportunities, it shall disclose the following information:</p> <p>(a) the list description of the key actions-taken in the reporting year and planned for the future, <u>including their scope and timeframe; and their expected outcomes and, where relevant, how their implementation contributes to the achievement of policy objectives and targets;</u></p> <p>(b) the expected outcomes and, where applicable, how their implementation contributes to the achievement of the related policy objectives.</p>	<p>Amended</p> <p>Simplified.</p>
<p>(b) the scope of the key actions (i.e., coverage in terms of activities, value chain, geographies and, if applicable, affected stakeholder groups);</p>	<p>(b) the scope of the key actions (i.e., coverage in terms of activities, value chain, geographies and, if applicable, affected stakeholder groups);</p>	<p>Moved Simplified and included in para. 37 (a)</p>
<p>€ the time horizons under which the undertaking intends to complete each key action;</p>	<p>€ the time horizons under which the undertaking intends to complete each key action;</p>	<p>Moved Simplified and included in para. 37 (a)</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(d) if applicable, key actions taken (along with results) to provide for and cooperate in or support the provision of remedy for those harmed by actual material impacts;	(d) if applicable, key actions taken (along with results) to provide for and cooperate in or support the provision of remedy for those harmed by actual material impacts;	Deleted Reduce granularity
€ if applicable, quantitative and qualitative information regarding the progress of actions or action plans disclosed in prior periods.	€ if applicable, quantitative and qualitative information regarding the progress of actions or action plans disclosed in prior periods.	Deleted Reduce granularity
69. Where the implementation of an action plan requires significant operational expenditures (Opex) and/or capital expenditures (Capex) the undertaking shall:	69; 38. Where the implementation of key actions – an action plan requires significant and/or specific investments and funding operational expenditures (Opex) and/or capital expenditures (Capex) resources (operational and/or capital expenditure) have been or are expected to be allocated to the implementation of the key actions, the undertaking shall:	Amended
(a) describe the type of current and future financial and other resources allocated to the action plan, including if applicable, the relevant terms of sustainable finance instruments, such as green bonds, social bonds and green loans, the environmental or social objectives, and whether the ability to implement the actions or action plan depends on specific preconditions, e.g., granting of financial support or public policy and market developments;	(a) describe the type of current and future financial and other resources allocated to the <u>key actions</u> action plan , including if applicable, the relevant terms of sustainable finance instruments, such as green bonds, social bonds and green loans, the environmental or social objectives and whether the ability to implement these <u>key</u> actions or action plan depends on specific preconditions (e.g., granting of financial support or public policy and market developments)	Amended / deleted Reference to SF instruments deleted and moved to NMIG Adjusted to link financial resources to key actions.
(b) provide the amount of current financial resources and explain how they relate to the most relevant amounts presented in the financial statements	(b) disclose the amount of financial resources allocated to the key actions in the reporting period (if any) and indicate the corresponding line items and/or notes where they are included in explain how they relate to the most relevant amounts presented in the financial statements; and	Amended Simplified and specified when allocated in the reporting period
(c) provide the amount of future financial resources.	(c) provide the an indicative range amount of future financial resources expected to be allocated for the implementation of the key actions.	Amended Greater flexibility considering feedback from preparers regarding the challenges of estimating future financial resources.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
<p>Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</p> <p>AR 22. Key actions in the context of this Minimum Disclosure Requirement are those actions that materially contribute to achieving the undertaking's objectives in addressing material impacts, risks and opportunities. For reasons of understandability, key actions may be aggregated where appropriate.</p>	<p>AR 31. for para. 37 AR 22.</p> <p>Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</p> <p>Key actions in the context of this DR Minimum Disclosure Requirement are those actions that materially contribute to achieving play a significant role in addressing the undertaking's objectives in addressing material impacts, risks and opportunities <u>related to a reported topic, including the actions taken to support the provision for remedy. For reasons</u> For the sake of understandability, key actions may be aggregated where appropriate. <u>Conversely, when key actions cover more than one material impact, risk or opportunity, this can be indicated and cross-referenced if necessary.</u></p>	<p>Amended</p> <p>Editorial/Clarification</p>
	<p><u>AR 32. for para. 37</u></p> <p>Actions can be individual or taken in collaboration with other undertakings, especially when actual or potential impacts are <u>systemic or widespread in nature and cannot be addressed by the undertaking alone.</u></p> <p><u>Whether a key action is collaborative is a useful information when describing it.</u></p>	<p>New</p> <p>Added to clarify the meaning of collective actions</p>
	<p><u>AR 33. for para. 37</u></p> <p><u>Environmental actions can be classified according to the mitigation hierarchy (i.e. contributing to avoidance, minimisation, restoration and compensation). Such information is a possible aspect to cover in the description of the actions, which may be provided implicitly or explicitly.</u></p>	<p>New</p> <p>Content moved from environment ESRS to clarify possible element to cover when referring to mitigation hierarchy. Reflecting the new architecture.</p>
	<p><u>AR 34. for para. 38 (a)</u></p> <p>The scope of the key actions refers to coverage in terms of activities <u>within own operations, upstream/downstream value chain, (group of) subsidiaries, geographies and, if applicable, affected stakeholder groups. These include actions that are part of the undertaking's business practices, overall management and risk management. The timeframe refers to the time horizons over which the undertaking intends to complete each action.</u></p>	<p>Moved to AR</p> <p>From former par. 68 b) and c)</p>
<p>AR 23. Information on resource allocation may be presented in the form of a table and broken down between capital expenditure and operating expenditure, and across the relevant time horizons, and between resources</p>	<p><u>AR 35. for para. 38</u></p> <p>AR 23. The undertaking may present the information on resource allocation in the form of a table broken down between (i) capital</p>	<p>Amended</p> <p>Simplified and granted more flexibility when needed to disaggregate the resource allocation.</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
applied in the current reporting year and the planned allocation of resources over specific time horizons.	expenditure and operating expenditure, and across the relevant time horizons , and between (ii) resources applied in the current reporting year and the planned allocation of resources over specific time horizons.	
	AR 36. for para. 38 (a) (c) <u>Examples of other non-monetary resources that may be included are human capital (full-time equivalent allocation) or natural resources allocated.</u>	New Added a new AR, based on the discussion at SRB and the results of the public survey, to specify examples of non-monetary resources. Clarifies that a monetary quantification of allocated FTEs is not required.
5. Metrics and targets 70. This chapter sets out Minimum Disclosure Requirements that shall be included when the undertaking discloses information on its metrics and targets related to each material sustainability matter. They shall be applied together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical ESRS. They shall also be applied when the undertaking prepares entity-specific disclosures	5. Metrics and targets <u>General Disclosure Requirement for metrics– GDR-M</u> 70. This chapter sets out Minimum Disclosure Requirements that shall be included when the undertaking discloses information on its metrics and targets related to each material sustainability matter. They shall be applied together with the Disclosure Requirements, including Application Requirements, provided in the relevant topical ESRS. They shall also be applied when the undertaking prepares entity-specific disclosures	Deleted Removed as the information is prescribed in para. 39 and 42 below.
71. The corresponding disclosures shall be located alongside disclosures prescribed by the topical ESRS.	71. The corresponding disclosures shall be located alongside disclosures prescribed by the topical ESRS.	Deleted Content included in AR
72. If the undertaking cannot disclose the information on targets required under the relevant topical ESRS, because it has not set targets with reference to the specific sustainability matter concerned, it shall disclose this to be the case, and provide reasons for not having adopted targets. The undertaking may disclose a timeframe in which it aims to adopt them.	72. If the undertaking cannot disclose the information on targets required under the relevant topical ESRS, because it has not set targets with reference to the specific sustainability matter concerned, it shall disclose this to be the case, and provide reasons for not having adopted targets. The undertaking may disclose a timeframe in which it aims to adopt them.	Deleted Content included in para. 30
Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters 73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.	Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters 73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.	Deleted Removed as redundant

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
74. The objective of this Minimum Disclosure Requirement is to provide an understanding of the metrics the undertaking uses to track the effectiveness of its actions to manage material sustainability matters .	74–39. The objective of this Minimum GDR is to provide an understanding of the <i>metrics</i> the undertaking discloses, which include <u>those used</u> uses to evaluate <u>it's the performance</u> and to track the effectiveness of its <i>actions</i> to manage its material <u>impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics).</u> Sustainability matters.	Amended Clarify language
75. The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity .	75–40. The undertaking shall disclose any the metrics that it uses to evaluate its performance, <u>as well as those required by and effectiveness topical ESRS,</u> in relation to material impacts, risks and opportunities <u>including on an entity-specific basis.</u>	Amended Specified the link with provisions in topical ESRS and the entity-specific dimension.
76. Metrics shall include those defined in ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself.	76. Metrics shall include those defined in ESRS, as well as metrics <u>identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself.</u>	Moved Simplified and included in para. 40
77. For each metric , the undertaking shall: (a) disclose the methodologies and significant assumptions behind the metric, including the limitations of the methodologies used;	41. For each <i>metric</i> , the undertaking shall disclose: (a) <u>the methodologies the metric itself, its unit of measurement, the calculation methodology, data types and sources used as input to the calculation, and where relevant, the estimation methodology,</u> including significant assumptions behind the metric, including the and limitations of the methodologies used;	Amended Editorial
(b) disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body;	(b) disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body;	Deleted Deleted to reduce the granularity considering that sustainability statements are subject to limited assurance
(c) label and define the metric using meaningful, clear and precise names and descriptions;	(c) label and define the metric using meaningful, clear and precise names and descriptions;	Deleted Reduced granularity
	(b) for environmental metrics, the <u>specific environmental conditions and characteristics of the area where the impact is occurring;</u>	New Added from environment ESRS to centralise the provision on contextual information.

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	<u>(c) for value chain metrics, the reliance on data from indirect sources or proxies, and where applicable, the planned actions to improve the data quality in the future (see [Draft] Amended ESRS 1 Chapter 5); and</u>	New/reformulated Added to clarify the link with the provision in ESRS 1. This is necessary transparency connected with the abandon of the preference for direct data. Now direct data and estimates are equally possible (no preference anymore).
	<u>(d) contextual information about the metric and an explanation of significant changes in the performance compared to the previous reporting periods.</u>	New/reformulated Added to specify the contextual information
(d) when currency is specified as the unit of measure, use the presentation currency of its financial statements.	(d) when currency is specified as the unit of measure, use the presentation currency of its financial statements.	Moved Moved to AR 39 for para. 41 (a)
	<u>APPLICATION REQUIREMENTS ARs</u> <u>AR 37. for para. 41</u> The metrics include those defined in the ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself, <u>such as for ESRS S2-S4 topical standards that do not contain metrics at sector agnostic level.</u>	Moved Amended and moved from former par. 76 and specified the link with entity-specific dimension.
	<u>AR 38. for para. 41 (a)</u> When <u>a</u> currency is specified as the unit of measurement, <u>the undertaking shall use</u> the presentation currency of its <u>the</u> financial statements.	Moved Moved from former par.77 (d)
<i>Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets</i> 78. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses information about the targets it has set with regard to each material sustainability matter .	Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets <u>General Disclosure Requirement for targets – GDR-T</u> 78. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses information about the targets it has set with regard to each material sustainability matter.	Deleted Removed as redundant
79. The objective of this Minimum Disclosure Requirement is to provide for each material sustainability matter an understanding of:	79 42. The objective of this <u>GDR</u> is to provide for each material sustainability matter an understanding of whether and how the undertaking <u>sets targets, as defined in terms of expected results for</u>	Amended

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
<p>(a) whether and how the undertaking tracks the effectiveness of its actions to address material impacts, risks and opportunities, including the metrics it uses to do so;</p> <p>(b) measurable time-bound outcome-oriented targets set by the undertaking to meet the policy's objectives, defined in terms of expected results for people, the environment or the undertaking regarding material impacts, risks and opportunities;</p> <p>(c) the overall progress towards the adopted targets over time;</p> <p>(d) in the case that the undertaking has not set measurable time-bound outcome-oriented targets, whether and how it nevertheless tracks the effectiveness of its actions to address material impacts, risks and opportunities and measures the progress in achieving its policy objectives; and</p> <p>(e) whether and how stakeholders have been involved in target setting for each material sustainability matter.</p>	<p><u>people, the environment or the undertaking, and of how it tracks the effectiveness of its policies and actions in relation to address its material impacts, risks and opportunities, either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics) and of the overall progress and effectiveness towards the adopted targets over time. This includes - where applicable - whether the progress is aligned with related action plan and/or whether any significant facts and circumstances related to the action plan affect the achievement of the target.</u></p> <p>(a) whether and how the undertaking tracks the effectiveness of its actions to address material impacts, risks and opportunities, including the metrics it uses to do so;</p> <p>(b) measurable time-bound outcome-oriented targets set by the undertaking to meet the policy's objectives, defined in terms of expected results for people, the environment or the undertaking regarding material impacts, risks and opportunities;</p> <p>(c) the overall progress towards the adopted targets over time;</p> <p>(d) in the case that the undertaking has not set measurable time-bound outcome-oriented targets, whether and how it nevertheless tracks the effectiveness of its actions to address material impacts, risks and opportunities and measures the progress in achieving its policy objectives; and</p> <p>(e) whether and how stakeholders have been involved in target setting for each material sustainability matter.</p>	<p>Amended (a) Simplified and merged with par.42</p> <p>Amended (b) Simplified and merged with par.43</p> <p>Amended (c) Simplified and merged with par.42</p> <p>Amended (d) Simplified and merged with par.44</p> <p>Deleted (e)</p>
<p>80. The undertaking shall disclose the measurable, outcome-oriented and time-bound targets on material sustainability matters it has set to assess progress. For each target, the disclosure shall include the following information:</p>	<p>80. 43. The undertaking shall disclose the measurable, time-bound, outcome-oriented and time-bound qualitative or quantitative targets it has set related to its material impacts, risks and opportunities either individually or at a higher level (i.e. groups of impacts, risks and opportunities or related topics); sustainability matters it has set to assess progress. For each target, the disclosure-undertaking shall include disclose the following information:</p>	<p>Amended Clearer language and specification</p>
<p>(a) a description of the relationship of the target to the policy objectives;</p>	<p>(a) a description of the relationship of the target to its policy objectives <u>and actions;</u></p>	<p>Amended Adding actions to clarify</p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
(b) the defined target level to be achieved, including, where applicable, whether the target is absolute or relative and in which unit it is measured;	(b) the defined target <u>value (or level when qualitative)</u> to be achieved, including, where applicable, whether the target is absolute or relative and in which unit it is measured;	Amended Added the reference to qualitative targets, considering the results of the public survey and for better interoperability with ISSB standards
(c) the scope of the target, including the undertaking's activities and/or its upstream and/or downstream value chain where applicable and geographical boundaries;	(c) the scope of the target, in terms of the undertaking's activities <u>within own operations</u> and/or its upstream and/or downstream value chain, <u>as well as</u> geographical boundaries;	Amended Clarify for own operations also plus editorial
(d) the baseline value and base year from which progress is measured;	(d) <u>where applicable</u> , the baseline value <u>(or level when the target is qualitative)</u> and base year from which progress is measured;	Amended To cover qualitative targets
(e) the period to which the target applies and if applicable, any milestones or interim targets;	(e) <u>the target year or</u> period to which the target applies and, if applicable, any milestones or interim targets <u>set</u> ;	Amended Editorial
(f) the methodologies and significant assumptions used to define targets, including where applicable, the selected scenario, data sources, alignment with national, EU or international policy goals and how the targets consider the wider context of sustainable development and/or local situation in which impacts take place;	(f) the methodologies, significant assumptions used to define targets, including where applicable, whether the target is required by law, the selected scenarios on which it is based, the key data sources and the level compatibility with national, EU or international policy goals; and how the targets consider the wider context of sustainable development and/or local situation in which impacts take place;	Amended more specific to Laws - clarification
(g) whether the undertaking's targets related to environmental matters are based on conclusive scientific evidence;	(g) whether the undertaking's targets related to environmental <u>topics</u> matters are based on conclusive scientific evidence <u>and, if this is the case, how the target considers ecological thresholds.</u>	Amended Moved and centralised from environmental ESRS the reference to ecological thresholds.
(h) whether and how stakeholders have been involved in target setting for each material sustainability matter;	(h) whether and how stakeholders have been involved in target setting for each material sustainability matter;	Deleted Moved to social ESRS
(i) any changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined comparability (see Disclosure Requirement BP-2 Disclosures in relation to specific circumstances of this Standard);	(i) any changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined	Deleted Already covered in ESRS 1 and BP-2

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	comparability (see Disclosure Requirement BP-2 Disclosures in relation to specific circumstances of this Standard);	
(j) the performance against its disclosed targets, including information on how the target is monitored and reviewed and the metrics used, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target.	(j) the performance against its disclosed targets, including information on how the target is monitored and reviewed and the metrics used, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target.	Deleted Included in the objective
81. If the undertaking has not set any measurable outcome-oriented targets : (a) it may disclose whether such targets will be set and the timeframe for setting them, or the reasons why the undertaking does not plan to set such targets;	81. 44. If the undertaking has not set any measurable outcome-oriented targets, it shall may disclose whether and, if so, how it nevertheless tracks the effectiveness of its policies and actions in relation to its material related impacts, risks and opportunities either individually or at a higher level (groups of impacts, risks and opportunities or related topics). (a) it may disclose whether such targets will be set and the timeframe for setting them, or the reasons why the undertaking does not plan to set such targets;	Amended and partially moved to NMIG
(b) it shall disclose whether it nevertheless tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity , and if so:	(b) it shall disclose how whether it nevertheless tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity, and if so:	Deleted Simplified and merged with par.44
i. any processes through which it does so;	i. any processes through which it does so;	Deleted Not needed
ii. the defined level of ambition to be achieved and any qualitative or quantitative indicators it uses to evaluate progress, including the base period from which progress is measured.	ii. the defined level of ambition to be achieved and any qualitative or quantitative indicators it uses to evaluate progress, including the base period from which progress is measured.	Deleted Removed this granularity and kept former 81b) only as simplification on target-setting
Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets AR 24. When disclosing targets related to the prevention or mitigation of environmental impacts, the undertaking shall prioritise targets related to the reduction of the impacts in absolute terms rather than in relative terms. When targets address the prevention or mitigation of social impacts, they may be specified in terms of the effects on human rights, welfare or positive outcomes for affected stakeholders .	Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets <u>APPLICATION REQUIREMENTS – ARs</u> <u>AR 39. for para. 43</u> AR 24. When disclosing targets related to the prevention or mitigation of environmental impacts, the undertaking shall prioritise a clarification may be provided on whether targets related to the reduction of the impacts are in absolute or relative terms rather than in relative terms. When targets address the prevention or mitigation	Amended

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS 2 <i>General disclosures</i>	Comment/Rationale
	of social impacts, they can <u>may</u> be specified in terms of the effects on human rights, welfare or positive outcomes for affected stakeholders.	
AR 25. The information on progress made towards achieving the targets may be presented in a comprehensive table, including information on the baseline and target value, milestones, and achieved performance over the prior periods.	AR 25. The information on progress made towards achieving the targets may be presented in a comprehensive table, including information on the baseline and target value, milestones, and achieved performance over the prior periods.	Deleted Removed as redundant
AR 26. Where the undertaking describes progress in achieving the objectives of a policy in the absence of a measurable target, it may specify a baseline against which the progress is considered. For example, the undertaking may assess an increase of wages by a certain percentage for those below a fair wage; or may assess the quality of its relationships with local communities by reference to the proportion of issues raised by communities that were resolved to their satisfaction. The baseline and the assessment of the progress shall be related to the impacts, risks and opportunities which underpin the materiality of the matter addressed by the policy.	AR 26. Where the undertaking describes progress in achieving the objectives of a policy in the absence of a measurable target, it may specify a baseline against which the progress is considered. For example, the undertaking may assess an increase of wages by a certain percentage for those below a fair wage; or may assess the quality of its relationships with local communities by reference to the proportion of issues raised by communities that were resolved to their satisfaction. The baseline and the assessment of the progress shall be related to the impacts, risks and opportunities which underpin the materiality of the matter addressed by the policy.	Deleted Removed as redundant