



LOG OF AMENDMENTS

# ESRS S4

CONSUMERS AND  
END-USERS



JULY 2025



EFRAG

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

### Annex to the Basis for Conclusions – Illustration of 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 1 *Consumers and end-users*.
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 S4) 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.

Objective		
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS S4 <i>Consumers and end-users</i>	Comment/Rationale
	<u>1. When reporting in accordance with ESRS, the sustainability statement shall cover information in relation to [Draft] Amended ESRS 4 Consumers and end-users, when this topic relates to material impacts, risks and opportunities. The disclosure on the material impacts, risks and opportunities is expected to cover policies, actions and targets (if in place), dependencies when relevant, metrics and financial effects.</u>	<b>Amended</b>  Consolidation of former [1] (a) to (d)
1. The objective of this Standard is to specify disclosure requirements which will enable users of the sustainability statement to understand material impacts on consumers and end users connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, and its related material risks and opportunities, including:	<del>2.1–The objective of this Standard is to specify Disclosure requirements–‘DRs’ in relation to the items of information mentioned in paragraph 1 that are not covered in [Draft] Amended ESRS 2. –which will enable users of the sustainability statement to understand material impacts on consumers and end-users connected with the undertaking’s own operations and value chain, including through its products or services, as well as through its business relationships, and its related material risks and opportunities, including:</del>	<b>Amended</b>  Amended in line with ESRS S1.
(a) how the undertaking affects the consumers and/or end-users of its products and/or services (referred to in this Standard as “consumers and end-users”), in terms of material positive and negative actual or potential impacts;	<del>(a) how the undertaking affects the consumers and/or end-users of its products and/or services (referred to in this Standard as “consumers and end-users”), in terms of material positive and negative actual or potential impacts;</del>	<b>Moved</b>  Moved to new [1] Consolidation of former [1] (a) to (d)
(b) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;	<del>(b) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;</del>	<b>Moved</b>  Moved to new [1] Consolidation of former [1] (a) to (d)

(c) the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on consumers and end-users, and how the undertaking manages such risks and opportunities; and	<del>(c) the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on consumers and end-users, and how the undertaking manages such risks and opportunities; and</del>	<b>Moved</b>  Moved to new [1] Consolidation of former [1] (a) to (d)
(d) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on consumers and/or end-users.	<del>(d) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on consumers and/or end-users.</del>	<b>Moved</b>  Moved to new [1] Consolidation of former [1] (a) to (d)
	<u>3. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.</u>	<b>New</b> Clarification regarding double materiality introduced.
2. In order to meet the objective, this Standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on the consumers and/or end-users related to its products and/or services in relation to:	<del>4. 2. In order to meet the objective, This Standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on the consumers and/or end-users related to its products and/or services in relation to: sets out DRs related to consumers and/or end users and, in particular, for the following sub-topics:</del>	<b>Amended</b>  Amended to improve clarity in line with EFRAG decision.
(a) information-related impacts on consumers and/or end-users (for example, privacy, freedom of expression and access to (quality) information);	(a) information-related impacts <del>on</del> <u>for</u> consumers and/or end-users (for example, privacy, <u>access to information</u> , freedom of expression <del>and access to (quality) information</del> );	<b>Amended</b>  Wording aligned with changes in ESRS 1 Appendix A.
(b) personal safety of consumers and/or end-users (for example, health and safety, security of a person and protection of children);	(b) personal safety of consumers and/or end-users ( <del>for example</del> , health and safety, <u>protection of children</u> , security of a person <del>and protection of children</del> );	<b>Amended</b>  Wording aligned with changes in ESRS 1 Appendix A.
(c) social inclusion of consumers and/or end-users (for example, non-discrimination, access to products and services and responsible marketing practices).	(c) social inclusion of consumers and/or end-users ( <del>for example, non-discrimination</del> , access to products and services, <del>and</del> responsible marketing practices, <u>non-discrimination</u> ).	<b>Amended</b>  Wording aligned with changes in ESRS 1 Appendix A.

3. This Standard also requires an explanation of how such impacts, as well as the undertaking's dependencies on consumers and/or end-users, can create material risks or opportunities for the undertaking. For example, negative impacts on the reputation of the undertaking's products and/or services can be detrimental to its business performance, while trust in products and/or services can bring business benefits, such as increased sales or widening of the future consumer base.	<del>3. This Standard also requires an explanation of how such impacts, as well as the undertaking's dependencies on consumers and/or end-users, can create material risks or opportunities for the undertaking. For example, negative impacts on the reputation of the undertaking's products and/or services can be detrimental to its business performance, while trust in products and/or services can bring business benefits, such as increased sales or widening of the future consumer base.</del>	<b>Deleted</b>
	<u>5. The undertaking shall apply the provisions of [Draft] Amended ESRS 2, paragraphs 29 to 31, and GDR-P, GDR-A, GDR-T and GDR-M. In particular:</u>	<b>Amended</b>  General principle of ESRS 2 emphasised.
	<u>(a) if the undertaking has not adopted <i>policies, actions and targets</i> with regard to a <i>topic</i> related to <i>material impacts, risks and opportunities</i>, it shall disclose this fact; and</u>	<b>Amended</b>  General principle of ESRS 2 emphasised.
	<u>(b) the undertaking may present the description of its <i>material impacts, risks and opportunities</i>, in accordance with [Draft] Amended ESRS 2 IRO 2, alongside information about its <i>policies, actions, targets and metrics</i> through which it addresses them, to avoid duplication and support a coherent narrative.</u>	<b>Amended</b>  General principle of ESRS 2 emphasised.
	<u>6. In this Standard, each DR is introduced by a disclosure objective, with the exception of <i>policies, actions and targets</i>, for which the provisions in [Draft] Amended ESRS 2 GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant disclosures.</u>	<b>New</b>  Simplification in the architecture whereby objectives are not included in topical Policies, Actions and Targets DRs.
4. The unlawful use or misuse of the undertaking's products and services by	<del>7. 4. The unlawful use or misuse of the undertaking's products and services by consumers and end-users fall outside the scope of this standard.</del>	<b>Unchanged</b>

consumers and end-users fall outside the scope of this standard.		
<b>Interaction with other topical ESRS</b>		
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 <i>Consumers and end-users</i></b>	<b>Comment/Rationale</b>
5. This standard applies when material impacts on and/or material risks and opportunities related to consumers and/or end-users have been identified through the materiality assessment process laid out in ESRS 2 General disclosures.	<del>5. This standard applies when material impacts on and/or material risks and opportunities related to consumers and/or end-users have been identified through the materiality assessment process laid out in ESRS 2 General disclosures.</del>	<b>Deleted</b>  Based on EFRAG decision to simplify.
6. This Standard shall be read in conjunction with ESRS 1 General requirements, and ESRS 2, as well as ESRS S1 Own workforce, ESRS S2 Workers in the value chain and ESRS S3 Affected communities.	<del>6. This Standard shall be read in conjunction with ESRS 1 General requirements, and ESRS 2, as well as ESRS S1 Own workforce, ESRS S2 Workers in the value chain and ESRS S3 Affected communities.</del>  <u>8. The reporting under this Standard shall be consistent, coherent and, where relevant, clearly linked with reporting on the undertaking's own workforce under [Draft] Amended ESRS S1 Own workforce.</u>	<b>Amended</b>  Based on EFRAG decision to simplify.
<b>Disclosure Requirements ESRS 2 - General Disclosures</b>		
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 <i>Consumers and end-users</i></b>	<b>Comment/Rationale</b>
7. The requirements of this section should be read in conjunction with the disclosures required by ESRS 2 on Strategy (SBM). The resulting disclosures shall be presented alongside the disclosures required by ESRS 2, except for SBM-3 <i>Material impacts, risks and opportunities and their interaction with strategy and business model</i> , for which the undertaking has an option to present the disclosures alongside the topical disclosure.	<del>7. The requirements of this section should be read in conjunction with the disclosures required by ESRS 2 on Strategy (SBM). The resulting disclosures shall be presented alongside the disclosures required by ESRS 2, except for SBM-3 <i>Material impacts, risks and opportunities and their interaction with strategy and business model</i>, for which the undertaking has an option to present the disclosures alongside the topical disclosure.</del>	<b>Moved</b>  Revised architecture whereby no ESRS 2 specification for SBM in the topical standards based on input from information gathering.
<b>Strategy</b>		
<b>Disclosure Requirement related to ESRS 2 SBM-2 Interests and views of stakeholders</b>	<b>Disclosure Requirement related to ESRS 2 SBM-2 Interests and views of stakeholders</b>	<b>Comment/Rationale</b>

ESRS Set 1 as per Delegated Act 2023	ESRS Set 2 Exposure Draft	
8. When responding to ESRS 2 SBM-2, paragraph 43, the undertaking shall disclose how the interests, views and rights of its <b>consumers</b> and/or <b>end-users</b> , including respect for their human rights, inform its strategy and business model. Consumers and/or end-users are a key group of affected <b>stakeholders</b> .	<del>8. When responding to ESRS 2 SBM-2, paragraph 43, the undertaking shall disclose how the interests, views and rights of its <b>consumers</b> and/or <b>end-users</b>, including respect for their human rights, inform its strategy and business model. Consumers and/or end-users are a key group of affected <b>stakeholders</b>.</del>	<b>Deleted</b>  Revised architecture whereby no ESRS 2 specification for SBM in the topical standards based on input from information gathering.
<b>Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model</b>	<b><del>Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model</del></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
9. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose:	9. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose:	<b>Deleted</b>  Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(a) whether and how actual and potential <b>impacts</b> on <b>consumer s</b> and/or <b>end-users</b> as identified in Disclosure Requirements ESRS 2 IRO-1 <i>Description of the processes to identify and assess material impacts, risks and opportunities</i> : (i) originate from or are connected to the undertaking's strategy and <b>business model</b> , and (ii) inform and contribute to adapting the undertaking's strategy and business model, and	<del>(a) whether and how actual and potential <b>impacts</b> on <b>consumer s</b> and/or <b>end-users</b> as identified in Disclosure Requirements ESRS 2 IRO-1 <i>Description of the processes to identify and assess material impacts, risks and opportunities</i>: (i) originate from or are connected to the undertaking's strategy and <b>business model</b>, and (ii) inform and contribute to adapting the undertaking's strategy and business model, and</del>	<b>Deleted</b>  Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.
(b) the relationship between its material risks and opportunities arising from impacts and <b>dependencies</b> on consumers and/or end-users and its strategy and business model.	<del>(b) the relationship between its material risks and opportunities arising from impacts and <b>dependencies</b> on consumers and/or end-users and its strategy and business model.</del>	<b>Deleted</b>  Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.

<p>10. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all <b>consumers</b> and/or <b>end-users</b> who are likely to be materially impacted by the undertaking, including <b>impacts</b> connected with the undertaking's own operations and <b>value chain</b>, including through its products or services, as well as through its <b>business relationships</b>, are included in the scope of its disclosure under ESRS 2. In addition, the undertaking shall disclose the following information:</p>	<p><del>10. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all <b>consumers</b> and/or <b>end-users</b> who are likely to be materially impacted by the undertaking, including <b>impacts</b> connected with the undertaking's own operations and <b>value chain</b>, including through its products or services, as well as through its <b>business relationships</b>, are included in the scope of its disclosure under ESRS 2. In addition, the undertaking shall disclose the following information:</del></p>	<p><b>Deleted</b></p> <p>Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.</p>
<p>(a) a brief description of the types of consumers and/or end-users subject to material impacts by its own operations or through its value chain, and specify whether they are:</p> <p>i.consumers and/ or end-users of products that are inherently harmful to people and/or increase risks for chronic disease;</p> <p>ii.consumers and/ or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non- <b>discrimination</b>;</p> <p>iii.consumers and/ or end-users who are dependent on accurate and accessible product- or service- related information, such as manuals and product labels, to avoid potentially damaging use of a product or service;</p>	<p><del>(a) a brief description of the types of consumers and/or end-users subject to material impacts by its own operations or through its value chain, and specify whether they are:</del></p> <p><del>i.consumers and/ or end-users of products that are inherently harmful to people and/or increase risks for chronic disease;</del></p> <p><del>ii.consumers and/ or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non- <b>discrimination</b>;</del></p> <p><del>iii.consumers and/ or end-users who are dependent on accurate and accessible product- or service- related information, such as manuals and product labels, to avoid potentially damaging use of a product or service;</del></p> <p><del>iv.consumers and/ or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals;</del></p>	<p><b>Deleted</b></p> <p>Simplification of the double materiality assessment at ESRS 2 and topical level based on EFRAG decision.</p>

iv.consumers and/ or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals;		
(b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking sells or provides its products or services (for example, state surveillance that affects the privacy of service users), or (ii) related to individual <b>incidents</b> (for example, a defect linked to a particular product) or to specific business relationships (for example, a business partner uses marketing that inappropriately targets young <b>consumers</b> );	<del>(b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking sells or provides its products or services (for example, state surveillance that affects the privacy of service users), or (ii) related to individual <b>incidents</b> (for example, a defect linked to a particular product) or to specific business relationships (for example, a business partner uses marketing that inappropriately targets young <b>consumers</b> );</del>	<b>Moved</b>  Moved to ESRS 2 IRO-2.
(c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts (for example, product design that improves its accessibility for persons with disabilities) and the types of consumers and/or end-users that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions; and	<del>(c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts (for example, product design that improves its accessibility for persons with disabilities) and the types of consumers and/or end-users that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions; and</del>	<b>Moved</b>  Revised architecture whereby no ESRS 2 specification for SBM in the topical standards based on input from information gathering.
(d) any material risks and opportunities for the business arising from impacts and dependencies on consumers and/or end-users.	<del>(d) any material risks and opportunities for the business arising from impacts and dependencies on consumers and/or end-users.</del>	<b>Moved</b>  Revised architecture whereby no ESRS 2 specification for SBM in the topical standards based on input from information gathering.
11. In describing the main types of <b>consumers</b> and/or <b>end-users</b> who are or could be negatively affected, based on	<del>11. In describing the main types of <b>consumers</b> and/or <b>end-users</b> who are or could be negatively affected, based on</del>	<b>Moved</b>  Moved to ESRS 2 IRO-2.

the <b>materiality</b> assessment set out in ESRS 2 IRO-1, the undertaking shall disclose whether and how it has developed an understanding of how consumers and/or end-users with particular characteristics, or those using particular products or services, may be at greater risk of harm.	the <b>materiality</b> assessment set out in ESRS 2 IRO-1, the undertaking shall disclose whether and how it has developed an understanding of how consumers and/or end-users with particular characteristics, or those using particular products or services, may be at greater risk of harm.	
12. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and <b>dependencies</b> on <b>consumers</b> and/or <b>end-users</b> , relate to specific groups of consumers and/or end-users (for example, particular age groups) rather than to all consumers and/or end-users.	12. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and <del>dependencies on consumers and/or end-users</del> , relate to specific groups of consumers and/or end-users (for example, particular age groups) rather than to all consumers and/or end-users.	<b>Deleted</b>  Deleted in relation to revised architecture of ESRS 2 based on input from information gathering.
<b>Impact, risk and opportunity management</b>		
<b>Disclosure Requirement S4-1 – Policies related to consumers and end-users</b>	<b>Disclosure Requirement S4-1 – Policies related to consumers and end-users</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
13. The undertaking shall describe its policies adopted to manage its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities.	13. The undertaking shall describe its policies adopted to manage its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities.	<b>Moved</b>  Moved to new [9] as part of editorial and simplification edits.
14. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on consumers and/or end-users specifically, as well as policies that cover material risks or opportunities related to consumers and/or end-users.	14. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on consumers and/or end-users specifically, as well as policies that cover material risks or opportunities related to consumers and/or end-users.	<b>Deleted</b>  Deleted in accordance with the decision by EFRAG to eliminate 'Objectives' paragraphs from topical PAT disclosures requirements. This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.

15. The disclosure required by paragraph 13 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to consumers and/or end-users in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such policies cover specific groups or all consumers and/or end-users.	<p><del>15. The disclosure required by paragraph 13 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to consumers and/or end-users in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such policies cover specific groups or all consumers and/or end-users.</del></p> <p><u>9. The undertaking shall describe its policies for managing the material impacts, risks and opportunities related to consumers and/or end-users in accordance with [Draft] Amended ESRS 2 GDR-P. It shall state whether these policies cover specific groups (for example, particular age groups) or all consumers and/or end-users.</u></p>	<p><b>Amended</b></p> <p>Editorial changes for clarification and overall edit decisions made by EFRAG.</p>
16. The undertaking shall describe its human rights policy commitments (116) that are relevant to consumers and/or end-users, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material, as well as the general approach in relation to (117):	<p><del>16. The undertaking shall describe its human rights policy commitments (116) that are relevant to consumers and/or end-users, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material, as well as the general approach in relation to (117):</del></p>	<p><b>Moved</b></p> <p>Moved to ESRS 2 [GDR-P]</p> <p>This point supports alignment with SFDR and Benchmark regulation.</p>
(a) respect for the human rights of consumers and/or end-users.	<p><del>(a) respect for the human rights of consumers and/or end-users.</del></p>	<p><b>Deleted</b></p> <p>This datapoint was deleted as it refers to former [16] which was moved to ESRS 2.</p>

(b) engagement with consumers and/or end-users; and	<del>(b) engagement with consumers and/or end-users; and</del>	<b>Deleted</b>  This datapoint was deleted as it refers to former [16] which was moved to ESRS 2.
(c) measures to provide and/or enable remedy for human rights impacts.	<del>(c) measures to provide and/or enable remedy for human rights impacts.</del>	<b>Deleted</b>  This datapoint was deleted as it refers to former [16] which was moved to ESRS 2.
17. The undertaking shall disclose whether and how its policies with regard to consumers and/or end-users are aligned with internationally recognised instruments relevant to consumers and/or end-users, including United Nations (UN) Guiding Principles on Business and Human Rights. The undertaking shall also disclose the extent to which cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users have been reported in its downstream value chain and, if applicable, an indication of the nature of such cases ( 118).	<del>17. The undertaking shall disclose whether and how its policies with regard to consumers and/or end-users are aligned with internationally recognised instruments relevant to consumers and/or end-users, including United Nations (UN) Guiding Principles on Business and Human Rights. The undertaking shall also disclose the extent to which cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users have been reported in its downstream value chain and, if applicable, an indication of the nature of such cases ( 118).</del>	<b>Moved</b>  Moved to ESRS 2 [GDR-P]  These are EU SFDR PAIs.
<b><i>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</i></b>	<b><i><del>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</del></i></b> <b><i><u>Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy</u></i></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
		<b>Amended</b>  Overall approach:

		Consolidation of two DRs under a single DR in light of the connection between the three points on engagement, channels to raise concerns and remedy. Deletion of a number of datapoints and clear delimitation of the scope of existing datapoints as per input from public input survey. General approach to remedy moved after “channels to raise concerns” for better alignment with the sequencing of UNGPs or OECD MNE.
18. The undertaking shall disclose its general processes for engaging with consumers and end-users and their representatives about actual and potential impacts on them	<del>18. The undertaking shall disclose its general processes for engaging with consumers and end-users and their representatives about actual and potential impacts on them</del>	<b>Deleted</b>  Deleted based on EFRAG decision to delete introductory paragraphs.
19. The objective of this Disclosure Requirement is to enable an understanding of whether and how the undertaking engages, as part of its ongoing due diligence process, with consumers and/or end-users, their legitimate representatives, or with credible proxies, about material actual and potential positive and/or negative impacts that do or are likely to affect them, and whether and how perspectives of consumers and/or end-users are taken into account in the decision-making processes of the undertaking.	<del>10. 19. The objective of this <u>DR Disclosure Requirement</u> is to enable an understanding of <del>whether and how</del> the undertaking’s approach to engagement with consumers and/or end-users, the availability of channels, including grievance mechanism, and remedy. <del>engages, as part of its ongoing due diligence process, with consumers and/or end-users, their legitimate representatives, or with credible proxies, about material actual and potential positive and/or negative impacts that do or are likely to affect them, and whether and how perspectives of consumers and/or end-users are taken into account in the decision-making processes of the undertaking.</del></del>	<b>Amended</b>  The wording was summarized and amended to align with the decision to merge former S4-2 and S4-3 based on input from information gathering and agreed by EFRAG.
20. The undertaking shall disclose whether and how the perspectives of consumers and/or end-users inform its decisions or activities aimed at managing actual and potential impacts on consumers and/or end-users. This shall include, where relevant, an explanation of:	<del>11 20. The undertaking shall disclose <u>how it engages directly with consumers and/or end users, their legitimate representatives, or with credible proxies,</u> whether and how the perspectives of consumers and/or end-users inform its decisions or activities aimed at managing <u>the</u> actual and potential impacts on consumers and/or end-users <u>during the reporting year.</u></del>	<b>Merged</b>  Merger of former [20] (a) and [21] and clarified timeframe (i.e. reporting year)

	This shall include, where relevant, <u>an explanation of: how it gains insight into the perspectives of consumers and/or end-users who may be particularly vulnerable to impacts and/or are marginalised (for example, people with disabilities, children).</u>	
(a) whether engagement occurs with affected consumers and/or end-users or their legitimate representatives directly, or with credible proxies that have insight into their situation;	<del>(a) whether engagement occurs with affected consumers and/or end-users or their legitimate representatives directly, or with credible proxies that have insight into their situation;</del>	<b>Merged</b>  Merged with former [20] and clarified timeframe (i.e. reporting year).
(b) the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement;	<del>(b) the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 2] (frequency) Moved to [AR 2] (type of engagement)
(c) the function and the most senior role within the undertaking that has operational responsibility for ensuring this engagement happens and that the results inform the undertaking's approach; and	<del>(c) the function and the most senior role within the undertaking that has operational responsibility for ensuring this engagement happens and that the results inform the undertaking's approach; and</del>	<b>Deleted</b>  Deleted to align with the decision to merge former S4-2 and S4-3 based on input from information gathering and agreed by EFRAG.
(d) where applicable, how the undertaking assesses the effectiveness of its engagement with consumers and/or end-users, and, where relevant, any agreements or outcomes that result from such engagement.	<del>(d) where applicable, how the undertaking assesses the effectiveness of its engagement with consumers and/or end-users, and, where relevant, any agreements or outcomes that result from such engagement.</del>	<b>Deleted</b>
21. Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of consumers and/or end-users that may be particularly vulnerable to impacts and/or marginalised (for example, people with disabilities, children, etc.).	<del>21. Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of consumers and/or end-users that may be particularly vulnerable to impacts and/or marginalised (for example, people with disabilities, children, etc.).</del>	<b>Merged</b>  Merged with new [11]

22. If the undertaking cannot disclose the above required information because it has not adopted a general process to engage with consumers and/or end-users, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a process in place.	<del>22. If the undertaking cannot disclose the above required information because it has not adopted a general process to engage with consumers and/or end-users, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a process in place.</del>	<b>Deleted</b>  Deleted to align with the decision to merge former S4-2 and S4-3 based on input from information gathering and agreed by EFRAG.
<b>Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns</b>	<del><b>Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns</b></del>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
		<b>Amended</b>  Overall approach: Consolidation of two DRs under a single DR in light of the connection between the three points on engagement, channels to raise concerns and remedy. Deletion of a number of datapoints and clear delimitation of the scope of existing datapoints as per input from public input survey. General approach to remedy moved after “channels to raise concerns” for better alignment with the sequencing of UNGPs or OECD MNE.
23. The undertaking shall describe the processes it has in place to provide for or cooperate in the remediation of negative impacts on consumers and end-users that the undertaking is connected with, as well as channels available to consumers and end-users to raise concerns and have them addressed.	<del>23. The undertaking shall describe the processes it has in place to provide for or cooperate in the remediation of negative impacts on consumers and end-users that the undertaking is connected with, as well as channels available to consumers and end-users to raise concerns and have them addressed.</del>	<b>Deleted</b>  Deleted to align with the decision to merge former S4-2 and S4-3 based on input from information gathering and agreed by EFRAG.
24. The objective of this Disclosure Requirement is to enable an understanding of the formal means by which consumers and/or end-users can make their concerns and needs known	<del>24. The objective of this Disclosure Requirement is to enable an understanding of the formal means by which consumers and/or end-users can make their concerns and needs known directly to the undertaking, and/or</del>	<b>Moved</b>

directly to the undertaking, and/or through which the undertaking supports the availability of such channels (for example, grievance mechanisms) by its business relationships, how follow up is performed with these consumers and/or end-users regarding the issues raised, and the effectiveness of these channels.	<del>through which the undertaking supports the availability of such channels (for example, grievance mechanisms) by its business relationships, how follow up is performed with these consumers and/or end-users regarding the issues raised, and the effectiveness of these channels.</del>	Moved to S4-2. Revised paragraph based on agreement by EFRAG and input from information gathering to merge former S4-2 and S4-3.
25. The undertaking shall describe:	<del>25. The undertaking shall describe:</del>	<b>Deleted,</b> Based on EFRAG decision to simplify content.
(a) its general approach to and processes for providing or contributing to remedy where it has identified that it has caused or contributed to a material negative impact on consumers and/or end-users, including whether and how the undertaking assesses that the remedy provided is effective;	<del>13. (a) The undertaking shall describe its general approach to and processes for providing or contributing to remedy where it has caused or contributed to a material negative impact on consumers and/or end-users.</del>	<b>Amended,</b>  Amended under the redrafting of former [25] (a) and [25] (b) as part of merging former S4-2 and S4-3.
(b) any specific channels it has in place for consumers and/or end-users to raise their concerns or needs directly with the undertaking and have them addressed, including whether these are established by the undertaking itself and/or through participation in third-party mechanisms;	<del>12. (b) The undertaking shall describe the any specific channels it has in place for available to consumers and/or end-users to raise bring their concerns or needs directly with to their attention of the undertaking and have them addressed, including whether these are established by the undertaking itself and/or through participation in third-party mechanisms. In particular, it shall state whether it has a grievance mechanism<sup>1</sup>. It shall also explain how it assesses the effectiveness of these channels.</del>	<b>Amended</b>  Amended under the redrafting of former [25] (a) and [25] (b) as part of merging former S4-2 and S4-3..
(c) the processes through which the undertaking supports or requires the availability of such channels by its business relationships; and	<del>(c) the processes through which the undertaking supports or requires the availability of such channels by its business relationships; and</del>	<b>Deleted</b> Deleted to align with the decision to merge former S4-2 and S4-3 based on input from information gathering and EFRAG decision.

(d) how it tracks and monitors issues raised and addressed, and how it ensures the effectiveness of the channels, including through involvement of stakeholders who are the intended users.	<del>(d) how it tracks and monitors issues raised and addressed, and how it ensures the effectiveness of the channels, including through involvement of stakeholders who are the intended users.</del>	<b>Moved</b>  Moved to new [12] Criteria for effectiveness are detailed in [NMIG 5]
26. The undertaking shall disclose whether and how it assesses that consumers and/or end-users are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place to protect individuals from retaliation when they use such structures or processes. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.	<del>26. The undertaking shall disclose whether and how it assesses that consumers and/or end-users are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place to protect individuals from retaliation when they use such structures or processes. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.</del>	<b>Moved</b>  Partly moved to [AR 4] for policies in place for protecting individuals, and remaining explanation moved to [NMIG 5]
27. If the undertaking cannot disclose the above required information because it has not adopted a channel for raising concerns and/or does not support the availability of mechanisms by its business relationships, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a channel or processes in place.	<del>27. If the undertaking cannot disclose the above required information because it has not adopted a channel for raising concerns and/or does not support the availability of mechanisms by its business relationships, it shall disclose this to be the case. It may disclose a timeframe in which it aims to have such a channel or processes in place.</del>	<b>Deleted</b>  Burden reduction by deleting this negative statement datapoint based on feedback from information gathering.
<b><i>Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</i></b>	<b><i><del>Disclosure Requirement S4-3 S4-4 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</del> <u>Actions and resources related to consumers and end users</u></i></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	

28. The undertaking shall disclose how it takes action to address material impacts on consumers and end-users, and to manage material risks and pursue material opportunities related to consumers and end-users, and effectiveness of those actions.	<del>28. The undertaking shall disclose how it takes action to address material impacts on consumers and end-users, and to manage material risks and pursue material opportunities related to consumers and end-users, and effectiveness of those actions.</del>	<b>Deleted</b>  Deleted based on EFRAG decision to delete introductory paragraphs.
29. The objective of this Disclosure Requirement is twofold. Firstly, it is to provide an understanding of any actions and initiatives through which the undertaking seeks to:	<del>29. The objective of this Disclosure Requirement is twofold. Firstly, it is to provide an understanding of any actions and initiatives through which the undertaking seeks to:</del>	<b>Deleted</b>  Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort of eliminating overlaps between ESRS 2 and topical standards.
(a) prevent, mitigate and remediate the negative material impacts on consumers and/or end-users, and/or	<del>(a) prevent, mitigate and remediate the negative material impacts on consumers and/or end-users, and/or</del>	
(b) achieve positive material impacts for consumers and/or end-users.	<del>(b) achieve positive material impacts for consumers and/or end-users.</del>	
Secondly, it is to enable an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and/or end-users.	<del>Secondly, it is to enable an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and/or end-users.</del>	
30. The undertaking shall provide a summarised description of the action plans and resources to manage its material impacts, risks, and opportunities related to consumers and end-users as per ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.	<del>14 30. The undertaking shall provide a summarised description of describe the key actions plans and resources used to manage its material impacts, risks, and opportunities related to consumers and/or end-users as per in accordance with [Draft] Amended ESRS 2 MGDR-A Actions and resources in relation to material sustainability matters.</del>	<b>Amended</b>  Editorial change
31. In relation to material impacts, the undertaking shall describe:	<del>15 31. In relation to the material impacts related to consumers and/or end users, the undertaking shall describe:</del>	<b>Unchanged</b>  Editorial change

(a) actions taken, planned or underway to prevent, mitigate or remediate material negative impacts on consumers and/or end-users;	(a) <u>key</u> actions taken, planned or underway to prevent, mitigate <del>or</del> <u>and</u> remediate material negative impacts on consumers and/or end-users; <u>including its approach in situations where tensions arise between such actions and other business pressures (e.g. practices related to marketing, sales and data use); and</u>	<b>Merged</b>  Merger of former [31] (a) and [34] that were connected.
(b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact;	<del>(b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact;</del>	<b>Merged</b>  Concept of remedy included in new [15].
(c) any additional actions or initiatives it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and/or end-users; and	<del>(c) any additional actions or initiatives it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and/or end-users; and</del>	<b>Deleted</b>
(d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering intended outcomes for consumers and/or end-users.	<del>(b) (d)</del> how it tracks and assesses the effectiveness of these actions and initiatives in delivering <del>intended</del> outcomes for consumers and/or end-users. <u>This disclosure can be omitted if the undertaking discloses how, it tracks the effectiveness of its actions in accordance with [Draft] Amended ESRS 2 GDR-T or GDR-M. In that case, a reference to that disclosure is sufficient.</u>	<b>Amended</b>  Amended to make it clear that companies need not disclose the same information twice and to improve articulation between topical PAT disclosures and ESRS 2.
32. In relation to paragraph 28, the undertaking shall describe:	<del>32. In relation to paragraph 28, the undertaking shall describe:</del>	<b>Moved</b> Moved [AR 6] Including editorial changes made to simplify wording and enhanced understanding.
(a) the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on consumers and/or end-users.	<del>(a) the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on consumers and/or end-users.</del>	<b>Moved</b> Moved [AR 6] Including editorial changes made to simplify wording and enhanced understanding.

(b) its approaches to taking action in relation to specific material negative impacts on consumers and/or end-users, including any action in relation to its own practices regarding product design, marketing or sales, as well as whether wider industry or collaborative action with other relevant parties will be required; and	<del>(b) its approaches to taking action in relation to specific material negative impacts on consumers and/or end-users, including any action in relation to its own practices regarding product design, marketing or sales, as well as whether wider industry or collaborative action with other relevant parties will be required; and</del>	<b>Moved</b>  Partially included in new [15] (a)
(c) how it ensures that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes.	<del>(c) how it ensures that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes.</del>	<b>Moved</b>  Moved to [AR 6] Including editorial changes made to simplify wording and enhance understanding.
33. In relation to material risks and opportunities, the undertaking shall describe:	<del>33. In relation to material risks and opportunities, the undertaking shall describe:</del>	<b>Deleted</b>  Simplification of topical datapoints linked to GDR-A in line with EFRAG decision.
(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and/or end-users and how it tracks effectiveness in practice; and	<del>(a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and/or end-users and how it tracks effectiveness in practice; and</del>	<b>Deleted</b>  Simplification of topical datapoints linked to GDR-A in line with EFRAG decision.
(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and/or end-users.	<del>(b) what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and/or end-users.</del>	<b>Deleted</b>  Simplification of topical datapoints linked to GDR-A in line with EFRAG decision.
34. The undertaking shall disclose whether and how it takes action to avoid causing or contributing to material negative impacts on consumers and/or end-users through its own practices, including, where relevant, in relation to marketing, sales and data use. This may include disclosing what approach is taken when	<del>34. The undertaking shall disclose whether and how it takes action to avoid causing or contributing to material negative impacts on consumers and/or end-users through its own practices, including, where relevant, in relation to marketing, sales and data use. This may include disclosing what approach is taken when</del>	<b>Deleted</b>  Simplification of topical datapoints linked to GDR-A in line with EFRAG decision.

tensions arise between the prevention or mitigation of material negative impacts and other business pressures.	<del>tensions arise between the prevention or mitigation of material negative impacts and other business pressures.</del>	
35. When preparing this disclosure, the undertaking shall consider whether severe human rights issues and incidents connected to its consumers and/or end-users have been reported and, if applicable, disclose these (119).	<del>16-35. When preparing this disclosure</del> <u>Subject to relevant privacy regulation</u> , the undertaking shall <del>consider also disclose</del> whether severe human rights issues and incidents connected <u>with</u> <del>to</del> its consumers and/or end-users have been reported and, if applicable, disclose these <sup>2</sup> <del>(119)</del> .	<b>Amended</b>  Amended to reflect the additional clarification of privacy regulation based on input from information gathering.  This is an EU SFDR PAI.
36. Where the undertaking evaluates the effectiveness of an action by setting a target, in disclosing the information required under paragraph 32 (c), the undertaking shall consider ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.	<del>36. Where the undertaking evaluates the effectiveness of an action by setting a target, in disclosing the information required under paragraph 32 (c), the undertaking shall consider ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</del>	<b>Deleted</b>  This is covered by ESRS 2 [GDR-A]
37. The undertaking shall disclose what resources are allocated to the management of its material impacts with information that enables users to gain an understanding of how the material impacts are managed.	<del>37. The undertaking shall disclose what resources are allocated to the management of its material impacts with information that enables users to gain an understanding of how the material impacts are managed.</del>	<b>Deleted</b>  This is covered by ESRS 2 [GDR-A]
<b>Metrics and Targets</b>		
<b><i>Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</i></b>	<b><i><del>Disclosure Requirement S4-4 S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</del> <u>Targets related to consumers and end-users</u></i></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	

38. The undertaking shall disclose the time-bound and outcome-oriented targets it may have set related to:	<del>38. The undertaking shall disclose the time-bound and outcome-oriented targets it may have set related to:</del>	<b>Deleted</b>  Deleted based on EFRAG decision to delete introductory paragraphs.
(a) reducing negative impacts on consumers and/or end-users; and/or	<del>(a) reducing negative impacts on consumers and/or end-users; and/or</del>	
b) advancing positive impacts on consumers and/or end-users; and/or	<del>b) advancing positive impacts on consumers and/or end-users; and/or</del>	
(c) managing material risks and opportunities related to consumers and/or end-users.	<del>(c) managing material risks and opportunities related to consumers and/or end-users.</del>	
39. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking is using time-bound and outcome-oriented targets to drive and measure progress in addressing material negative impacts, and/or advancing positive impacts on consumers and/or end-users, and/or in managing material risks and opportunities related to consumers and/or end-users .	<del>39. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking is using time-bound and outcome-oriented targets to drive and measure progress in addressing material negative impacts, and/or advancing positive impacts on consumers and/or end-users, and/or in managing material risks and opportunities related to consumers and/or end-users .</del>	<b>Deleted</b>  Deleted in accordance with the decision to eliminate 'Objectives' paragraphs from PAT disclosures requirements. This decision is part of the effort to eliminate overlaps between ESRS 2 and topical standards.
40. The summarised description of the targets to manage its material impacts, risks and opportunities related to consumers and/or end-users shall contain the information requirements defined in ESRS 2 MDR-T.	<del>40. The summarised description of the targets to manage its material impacts, risks and opportunities related to consumers and/or end-users shall contain the information requirements defined in ESRS 2 MDR-T.</del>  <u>17. The undertaking shall disclose the qualitative and/or quantitative targets related to consumers and/or end-users in accordance with [Draft] Amended ESRS 2 GDR-T.</u>	<b>Amended</b>  Amended for more precision about what is expected from companies and when it is expected.
41. The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with	<del>18 41. When disclosing in accordance with [Draft] Amended ESRS 2 GDR-T, the undertaking shall disclose the process for setting the targets, including whether</del>	<b>Amended</b>  Amended and consolidated for the various aspects of target setting that can involve affected stakeholders.

consumers and/or end-users, their legitimate representatives, or with credible proxies that have insight into their situation in:	and how <del>the undertaking</del> it has engaged directly with consumers and/or end-users, their legitimate representatives, or with credible proxies that have insight into their situation, <del>in</del> <u>for the purpose of target setting and /or tracking performance against those targets.</u>	
(a) setting any such targets;	<del>(a) setting any such targets;</del>	<b>Merged</b>  Merger of former [41] (a) and (b).
(b) tracking the undertaking's performance against them; and	<del>(b) tracking the undertaking's performance against them; and</del>	<b>Merged</b>  Merger of former [41] (a) and (b).
(c) identifying, if any, lessons or improvements as a result of the undertaking's performance.	<del>(c) identifying, if any, lessons or improvements as a result of the undertaking's performance.</del>	<b>Deleted</b> This is a specification in [AR 7].
<b>Appendix A</b>		
<b>Application Requirements</b>		
<b>Objective</b>	<b>Objective</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 1. The undertaking may highlight special issues relevant to a material impact for a shorter period of time, for instance initiatives regarding the health and safety of consumers and/or end-users in relation to contamination of a product or severe breach of privacy due to a massive data leak.	<del>AR 1. The undertaking may highlight special issues relevant to a material impact for a shorter period of time, for instance initiatives regarding the health and safety of consumers and/or end-users in relation to contamination of a product or severe breach of privacy due to a massive data leak.</del>	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
AR 2. The overview of social and human rights matters provided in paragraph 2 is not meant to imply that all of these issues should be disclosed in each Disclosure Requirement in this Standard. Rather, it provides a list of matters that the undertaking shall consider in its materiality assessment (ref. to ESRS 1 chapter 3 Double materiality as the basis for sustainability	<del>AR 2. The overview of social and human rights matters provided in paragraph 2 is not meant to imply that all of these issues should be disclosed in each Disclosure Requirement in this Standard. Rather, it provides a list of matters that the undertaking shall consider in its materiality assessment (ref. to ESRS 1 chapter 3 Double materiality as the basis for sustainability disclosures and ESRS 2 IRO 1) related to consumers and/or end-users</del>	

disclosures and ESRS 2 IRO-1) related to consumers and/or end-users and, subsequently, disclose as material impacts, risks and opportunities within the scope of this Standard.	and, subsequently, disclose as material impacts, risks and opportunities within the scope of this Standard.	
<b>ESRS 2 – General Disclosures</b>		
<b>Strategy</b>		
<b>Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders</b>	<b>Disclosure Requirement related to ESRS 2 SBM 2 – Interests and views of stakeholders</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 3. ESRS 2 SBM-2 requires the undertaking to provide an understanding of if and how it considers whether its strategy and business model play a role in creating, exacerbating or (conversely) mitigating significant material impacts on <i>consumers</i> and/or <i>end-users</i> , and whether and how the business model and strategy are adapted to address such material impacts.	AR 3. ESRS 2 SBM 2 requires the undertaking to provide an understanding of if and how it considers whether its strategy and business model play a role in creating, exacerbating or (conversely) mitigating significant material impacts on <del>consumers</del> and/or <del>end-users</del> , and whether and how the business model and strategy are adapted to address such material impacts.	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
AR 4. While <i>consumers</i> and/or <i>end-users</i> may not be engaging with the undertaking at the level of its strategy or business model, their views can inform the undertaking's assessment of its strategy and business model. The undertaking may disclose the views of the (actual or potential) materially affected consumers and/or end-users' <b>legitimate representatives</b> or those of <b>credible proxies</b> that have insight into their situation.	AR 4. While <del>consumers</del> and/or <del>end-users</del> may not be engaging with the undertaking at the level of its strategy or business model, their views can inform the undertaking's assessment of its strategy and business model. The undertaking may disclose the views of the (actual or potential) materially affected consumers and/or end-users' <b>legitimate representatives</b> or those of <del>credible proxies</del> that have insight into their situation.	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
<b>Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model</b>	<b>Disclosure Requirement related to ESRS 2 SBM 3 – Material impacts, risks and opportunities and their interaction with strategy and business model</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>ESRS Set 2 Exposure Draft</b>	

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

AR 8. With regard to paragraph 12, the <b>risks</b> could arise because of the undertaking's dependency on <b>consumers</b> and/or <b>end-users</b> where low likelihood but high impact events may trigger <b>financial effects</b> , for example, where a global pandemic leads to severe impacts on certain consumers' livelihoods resulting in major changes in patterns of consumption.	AR 8. With regard to paragraph 12, the <del>risks</del> could arise because of the undertaking's dependency on <del>consumers</del> and/or <del>end-users</del> where low likelihood but high impact events may trigger <b>financial effects</b> , for example, where a global pandemic leads to severe impacts on certain consumers' livelihoods resulting in major changes in patterns of consumption.	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
<b>Impact, risk and opportunity management</b>		
<b>Disclosure Requirement S4-1 – Policies related to consumers and end-users</b>	<b>Disclosure Requirement S4-1 – Policies related to consumers and end-users</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 9. The description shall include the key information necessary to ensure a faithful representation of the policies in relation to consumers and end-users, and therefore, the undertaking shall consider explanations of significant changes to the policies adopted during the reporting year (for example, new expectations for business customers, new or additional approaches to due diligence and remedy).	AR 9. The description shall include the key information necessary to ensure a faithful representation of the policies in relation to consumers and end-users, and therefore, the undertaking shall consider explanations of significant changes to the policies adopted during the reporting year (for example, new expectations for business customers, new or additional approaches to due diligence and remedy).	<b>Deleted</b>  Deemed not essential in line with simplification decision of EFRAG.
AR 10. The policy may take the form of a stand-alone policy regarding consumers and/or end users or be included in a broader document such as a code of ethics or a general sustainability policy that has already been disclosed by the undertaking as part of another ESRS. In those cases, the undertaking shall provide an accurate cross-reference to identify the aspects of the policy that satisfy the requirements of this Disclosure Requirement.	AR 10. The policy may take the form of a stand-alone policy regarding consumers and/or end-users or be included in a broader document such as a code of ethics or a general sustainability policy that has already been disclosed by the undertaking as part of another ESRS. In those cases, the undertaking shall provide an accurate cross-reference to identify the aspects of the policy that satisfy the requirements of this Disclosure Requirement.	<b>Deleted</b>  The AR was deleted because not essential and because 'policy' already defined in Glossary.

AR 11. In disclosing its alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it, and may disclose its alignment with these instruments	<del>AR 11. In disclosing its alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it, and may disclose its alignment with these instruments</del>	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
AR 12. When disclosing how external facing policies are embedded, the undertaking may, for example, consider internal-facing sales and distribution policies and alignment with other policies relevant to consumers and/or end-users. The undertaking shall also consider its policies for safeguarding the veracity and usefulness of information provided to potential and actual consumers and/or end-users, both before and after sale.	<del>AR 12. When disclosing how external facing policies are embedded, the undertaking may, for example, consider internal-facing sales and distribution policies and alignment with other policies relevant to consumers and/or end-users. The undertaking shall also consider its policies for safeguarding the veracity and usefulness of information provided to potential and actual consumers and/or end-users, both before and after sale.</del>	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
AR 13. The undertaking may provide an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees, contractors and suppliers), or because they have a direct interest in their implementation (for example, own workers, investors). It may disclose communication tools and channels (for example, flyers, newsletters, dedicated websites, social media, face to face interactions, workers' representatives), aimed at ensuring that the policy is accessible and that different audiences understand its implications. The	<del>AR 13. The undertaking may provide an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees, contractors and suppliers), or because they have a direct interest in their implementation (for example, own workers, investors). It may disclose communication tools and channels (for example, flyers, newsletters, dedicated websites, social media, face to face interactions, workers' representatives), aimed at ensuring that the policy is accessible and that different audiences understand its</del>	<b>Amended</b>  Editorial amendments and additional items were moved to [NMIG 1]

undertaking may also explain how it identifies and removes potential barriers for dissemination, such as through translation into relevant languages or the use of graphic depictions.	<del>implications. The undertaking may also explain how it identifies and removes potential barriers for dissemination, such as through translation into relevant languages or the use of graphic depictions.</del>	
<b><i>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</i></b>	<b><i><u>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</u></i></b> <b><i><u>Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy</u></i></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 14. Credible proxies who have knowledge of the interests, experiences or perspectives of consumers and end-users could include national consumer protection bodies for some consumers.	<del>AR 14. Credible proxies who have knowledge of the interests, experiences or perspectives of consumers and end-users could include national consumer protection bodies for some consumers.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 3]
AR 15. When describing which function or role has operational responsibility for such engagement and/or ultimate accountability, the undertaking may disclose whether this is a dedicated role or function or part of a broader role or function, and whether any capacity building activities have been offered to support the staff to undertake engagement. If it cannot identify such a position or function, it may state that this is the case. This disclosure could also be fulfilled by making reference to information disclosed according to ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies.	<del>AR 15. When describing which function or role has operational responsibility for such engagement and/or ultimate accountability, the undertaking may disclose whether this is a dedicated role or function or part of a broader role or function, and whether any capacity building activities have been offered to support the staff to undertake engagement. If it cannot identify such a position or function, it may state that this is the case. This disclosure could also be fulfilled by making reference to information disclosed according to ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 2]
AR 16. When preparing the disclosures described in paragraph 20 b) and c), the following illustrations may be considered:	<del>AR 16. When preparing the disclosures described in paragraph 20 b) and c), the following illustrations may be considered:</del>	<b>Deleted</b>

		Deleted for simplification based on EFRAG decision and information gathering input.
(a) for stage(s) at which engagement occurs, examples could be in determining mitigation approaches or in evaluating their effectiveness;	<del>(a) for stage(s) at which engagement occurs, examples could be in determining mitigation approaches or in evaluating their effectiveness;</del>	<b>Deleted</b>  Deleted for simplification based on EFRAG decision and information gathering input.
(b) for type of engagement, these could be participation, consultation and/or information;	<del>(b) for type of engagement, these could be participation, consultation and/or information;</del> <u>AR 2. The engagement with consumers and/or end-users can take different forms, such as information, consultation or participation, and occur at different frequencies.</u>	<b>Amended</b>  Editorial changes.
(c) for the frequency of the engagement, information may be provided on whether engagement occurs on a regular basis, at certain points in a project or business process, as well as whether it occurs in response to legal requirements and/or in response to stakeholder requests and whether the result of the engagement is being integrated into the undertaking's decision-making processes; and	<del>(c) for the frequency of the engagement, information may be provided on whether engagement occurs on a regular basis, at certain points in a project or business process, as well as whether it occurs in response to legal requirements and/or in response to stakeholder requests and whether the result of the engagement is being integrated into the undertaking's decision-making processes; and</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 2]
(d) for the role with operational responsibility, whether the undertaking requires relevant staff to have certain skills, or whether it provides training or capacity building to relevant staff to undertake engagement.	<del>(d) for the role with operational responsibility, whether the undertaking requires relevant staff to have certain skills, or whether it provides training or capacity building to relevant staff to undertake engagement.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 2]
AR 17. To illustrate how the perspectives of consumers and/or end-users have informed specific decisions or activities of the undertaking, the undertaking may provide examples from the current reporting period.	<del>AR 17. To illustrate how the perspectives of consumers and/or end-users have informed specific decisions or activities of the undertaking, the undertaking may provide examples from the current reporting period.</del>	<b>Deleted</b>  Deemed not essential in line with simplification decision of EFRAG.

<b>Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns</b>	<b><del>Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns</del></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 18. In fulfilling the requirements set out by the disclosure criteria of ESRS S4-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises focused on remediation and grievance mechanisms.	<del>AR 18. In fulfilling the requirements set out by the disclosure criteria of ESRS S4-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises focused on remediation and grievance mechanisms.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 4]
AR 19. Channels for raising concerns or needs, include grievance mechanisms, hotlines, dialogue processes or other means through which consumers and/or end-users or their legitimate representatives can raise concerns about impacts or explain needs that they would like the undertaking to address. This could include channels provided by the undertaking directly and is to be disclosed in addition to any other mechanisms the undertaking may use to gain insight into the management of impacts on consumers and/or end-users, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that.	<del>AR 19. Channels for raising concerns or needs, <u>are formal structures by the undertaking or a third party (e.g. governments, NGOs or industry associations), including business relationships, with dedicated processes through which consumers and/or end-users can raise their concerns or needs. This includes grievance mechanisms, hotlines, dialogue processes or other means through which consumers and/or end-users or their legitimate representatives can raise concerns about impacts or explain needs that they would like the undertaking to address, as well as, under certain circumstances, whistleblowing mechanisms.</u> This could include channels provided by the undertaking directly and is to be disclosed in addition to any other mechanisms the undertaking may use to gain insight into the management of impacts on consumers and/or end-users, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that.</del>  <u>AR 5. 'Processes' for providing or contributing to remedy may also be used to respond to harms</u>	<b>Amended</b>  Editorial changes to enhance understanding were made and reference to whistleblowing mechanisms was clarified  In addition, to ensure clarity: new [AR 5] was added to clarify articulation between channels to raise concerns or needs and remedies.  These amendments were made in line with EFRAG decision.

	<u>identified. Such processes typically include formalised steps or criteria that are followed to ensure that concerns, complaints or needs are adequately addressed, including, where relevant, by providing or contributing to remedy for <i>actual impacts</i>. This can include channels to raise concerns or needs as reported under paragraph 12 if they are used for providing or contributing to remedy.</u>	
AR 20. To provide greater insight into the information covered in ESRS S4-3, the undertaking may provide insight into whether and how consumers and/or end-users that may be affected are able to access channels at the level of the undertaking they are affected by, in relation to each material impact.	<del>AR 20. To provide greater insight into the information covered in ESRS S4-3, the undertaking may provide insight into whether and how consumers and/or end-users that may be affected are able to access channels at the level of the undertaking they are affected by, in relation to each material impact.</del>	<b>Deleted</b>  Deleted in line with EFRAG decision to merge former S4-2 and S4-3.
AR 21. Third party mechanisms could include those operated by the government, NGOs, industry associations and other collaborative initiatives. With regard to the scope of these mechanisms, the undertaking may disclose whether these are accessible to all consumers and/or end-users who may be potentially or actually materially impacted by the undertaking, or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts, and through which consumers and/or end-users (or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts), can raise complaints or concerns related to the undertaking's own activities.	<del>AR 21. Third party mechanisms could include those operated by the government, NGOs, industry associations and other collaborative initiatives. With regard to the scope of these mechanisms, the undertaking may disclose whether these are accessible to all consumers and/or end-users who may be potentially or actually materially impacted by the undertaking, or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts, and through which consumers and/or end-users (or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts), can raise complaints or concerns related to the undertaking's own activities.</del>	<b>Moved</b>  Included in [AR 3]
AR 22. In relation to the protection of individuals that use the mechanisms against the	<del>AR 22. In relation to the protection of individuals that use the mechanisms against the retaliation, the</del>	<b>Deleted from mandatory content and moved to NMIG</b>

retaliation, the undertaking may describe whether it treats grievances confidentially and with respect to the rights of privacy and data protection; and whether they allow for consumer and/or end-users to use them anonymously (for example, through representation by a third party).	<del>undertaking may describe whether it treats grievances confidentially and with respect to the rights of privacy and data protection; and whether they allow for consumer and/or end-users to use them anonymously (for example, through representation by a third party).</del>	Moved to [NMIG 7]
AR 23. In disclosing whether and how the undertaking knows that consumers and/or end-users are aware of and trust any of these channels, the undertaking may provide relevant and reliable data about the effectiveness of these channels from the perspective of consumers and/or end-users themselves. Examples of sources of information are surveys of consumers and/or end-users that have used such channels and their levels of satisfaction with the process and outcomes. To illustrate the usage level of such channels, the undertaking may disclose the number of complaints received from consumers and/or end-users during the reporting period.	<del>AR 23. In disclosing whether and how the undertaking knows that consumers and/or end-users are aware of and trust any of these channels, the undertaking may provide relevant and reliable data about the effectiveness of these channels from the perspective of consumers and/or end-users themselves. Examples of sources of information are surveys of consumers and/or end-users that have used such channels and their levels of satisfaction with the process and outcomes. To illustrate the usage level of such channels, the undertaking may disclose the number of complaints received from consumers and/or end-users during the reporting period.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 5]
AR 24. In describing the effectiveness of channels for consumers and/or end-users to raise concerns, the undertaking may be guided by the following questions, based on the “effectiveness criteria for nonjudicial grievance mechanisms”, as laid out in the UN Guiding Principles on Business and Human Rights. The below considerations may be applied on an individual channel basis or for the collective system of channels:	<del>AR 24. In describing the effectiveness of channels for consumers and/or end-users to raise concerns, the undertaking may be guided by the following questions, based on the ‘effectiveness criteria for non-judicial grievance mechanisms’, as laid out in the UN Guiding Principles on Business and Human Rights, <u>in particular principle 31</u>, can be used for assessing the effectiveness of the channels. The below considerations may be applied on an individual channel basis or for the collective system of channels:</del>	<b>Amended</b>  Cross reference added to G1-1. In line with input from information gathering and EFRAG decisions, former [AR 24] was reduced and the additional items below (a) to (h) on grievance channels were moved to [NMIG 5] to support users understanding.

	If the undertaking has <b>policies</b> for protecting individuals that use these channels against retaliation, and it is disclosed in [Draft] Amended ESRS G1-1, it may refer to that disclosure.	
(a) do the channels hold legitimacy by providing appropriate accountability for their fair conduct and building stakeholder trust?	<del>(a) do the channels hold legitimacy by providing appropriate accountability for their fair conduct and building stakeholder trust?</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 5]
(b) are the channels known and accessible to stakeholders?	<del>(b) are the channels known and accessible to stakeholders?</del>	
(c) do the channels have known procedures, set timeframes and clarity on the processes?	<del>(c) do the channels have known procedures, set timeframes and clarity on the processes?</del>	
(d) do the channels ensure reasonable access to sources of information, advice and expertise?	<del>(d) do the channels ensure reasonable access to sources of information, advice and expertise?</del>	
(e) do the channels offer transparency by providing sufficient information both to complainants and where applicable, to meet any public interest at stake?	<del>(e) do the channels offer transparency by providing sufficient information both to complainants and where applicable, to meet any public interest at stake?</del>	
(f) do the outcomes achieved from the channels accord with internationally recognised human rights?	<del>(f) do the outcomes achieved from the channels accord with internationally recognised human rights?</del>	
(g) does the undertaking identify insights from the channels that support continuous learning in both improving the channels and preventing future impacts?	<del>(g) does the undertaking identify insights from the channels that support continuous learning in both improving the channels and preventing future impacts?</del>	
(h) does the undertaking focus on dialogue with complainants as the means to reach agreed	<del>(h) does the undertaking focus on dialogue with complainants as the means to reach agreed solutions,</del>	

solutions, rather than seeking to unilaterally determine the outcome?	<del>rather than seeking to unilaterally determine the outcome?</del>	
For more information, see Principle 31 of the UN Guiding Principles on Business and Human Rights.	<del>For more information, see Principle 31 of the UN Guiding Principles on Business and Human Rights.</del>	
<b><i>Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</i></b>	<b><i><del>Disclosure Requirement <u>S4-3</u> S4-4 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions</del> Actions and resources related to consumers and end users</i></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 25. It may take time to understand negative impacts and how the undertaking may be involved with them through its downstream value chain, as well as to identify appropriate responses and put them into practice). Therefore, the undertaking shall consider:	<del>AR 25. It may take time to understand negative impacts and how the undertaking may be involved with them through its downstream value chain, as well as to identify appropriate responses and put them into practice). Therefore, the undertaking shall consider:</del>	<b>Deleted</b>  Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
(a) Its general and specific approaches to addressing material negative impacts;	<del>(a) Its general and specific approaches to addressing material negative impacts;</del>	
(b) its initiatives aimed at contributing to additional material positive impacts.	<del>(b) its initiatives aimed at contributing to additional material positive impacts;</del>	
(c) how far it has progressed in its efforts during the reporting period; and	<del>(c) how far it has progressed in its efforts during the reporting period; and</del>	
(d) its aims for continued improvement.	<del>(d) its aims for continued improvement.</del>	
AR 26. Appropriate action can vary according to whether the undertaking causes or contributes to a material impact, or whether the material impact is directly linked to its own operations,	<del>AR 26. Appropriate action can vary according to whether the undertaking causes or contributes to a material impact, or whether the material impact is directly linked to its own operations, products or services through a business relationship.</del>	<b>Merged</b>  Merger of former [AR 26] and [AR 27]. Simplified and edited for clarity and conciseness.

products or services through a business relationship.	<p>AR 6. The <i>actions</i> taken by the undertaking differ depending on its connection to the <i>impact</i> (causation, contribution, direct linkage), and how it has identified the actions as appropriate for addressing material impacts.</p> <p>This also applies to key actions to provide for, contribute to, or enable <b>remedy</b> in cases of actual negative impacts. Key actions to prevent, mitigate or remediate impacts encompass the use of <b>leverage</b> and/or collective actions taken through multistakeholder and/or industry initiatives.</p>	
AR 27. Given that material negative impacts affecting consumers and/or end-users that have occurred during the reporting period may also be linked to entities or operations outside its direct control, the undertaking may disclose whether and how it seeks to use leverage with relevant business relationships to manage those impacts. This may include using commercial leverage (for example, enforcing contractual requirements with business relationships or implementing incentives), other forms of leverage within the relationship (such as providing training or capacity-building on proper product use or sale practices to business relationships) or collaborative leverage with peers or other actors (such as initiatives aimed at responsible marketing or product safety).	<p><del>AR 27. Given that material negative impacts affecting consumers and/or end-users that have occurred during the reporting period may also be linked to entities or operations outside its direct control, the undertaking may disclose whether and how it seeks to use leverage with relevant business relationships to manage those impacts. This may include using commercial leverage (for example, enforcing contractual requirements with business relationships or implementing incentives), other forms of leverage within the relationship (such as providing training or capacity-building on proper product use or sale practices to business relationships) or collaborative leverage with peers or other actors (such as initiatives aimed at responsible marketing or product safety).</del></p>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to [NMIG 9]</p> <p>Partly merged with former [AR 26] based on EFRAG decision to enhance clarity and remove voluntary datapoints and enhance guidance.</p>
AR 28. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own	<p><del>AR 28. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own involvement, is aiming to address the material impact</del></p>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to [NMIG 10]</p>

involvement, is aiming to address the material impact concerned. It may disclose under ESRS S4-5 the relevant targets set by the initiative and progress towards them.	<del>concerned. It may disclose under ESRS S4-5 the relevant targets set by the initiative and progress towards them.</del>	
AR 29. When disclosing whether and how it considers actual and potential impacts on consumers and/or end-users in decisions to terminate business relationships and whether and how it seeks to address any negative impacts that may result from termination, the undertaking may include examples.	<del>AR 29. When disclosing whether and how it considers actual and potential impacts on consumers and/or end-users in decisions to terminate business relationships and whether and how it seeks to address any negative impacts that may result from termination, the undertaking may include examples.</del>	<b>Deleted</b>  Based on EFRAG decision to enhance clarity and remove voluntary datapoints.
AR 30. In disclosing how it tracks the effectiveness of actions to manage material impacts during the reporting period, the undertaking may disclose any lessons learned from the previous and current reporting periods.	<del>AR 30. In disclosing how it tracks the effectiveness of actions to manage material impacts during the reporting period, the undertaking may disclose any lessons learned from the previous and current reporting periods.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 11]
AR 31. Processes used to track the effectiveness of actions can include internal or external auditing or verification, court proceedings and/or related court decisions, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.	<del>AR 31. Processes used to track the effectiveness of actions can include internal or external auditing or verification, court proceedings and/or related court decisions, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 12]
AR 32. Reporting on effectiveness is aimed at enabling the understanding of the links between actions taken by the undertaking and the effective management of impacts.	<del>AR 32. Reporting on effectiveness is aimed at enabling the understanding of the links between actions taken by the undertaking and the effective management of impacts.</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 12]
AR 33. With regard to initiatives or processes the undertaking has in place that are based on	<del>AR 33. With regard to initiatives or processes the undertaking has in place that are based on affected</del>	<b>Deleted from mandatory content and moved to NMIG</b>

affected consumers and/or end-users' needs and their level of implementation, the undertaking may disclose:	<del>consumers and/or end-users' needs and their level of implementation, the undertaking may disclose:</del>	Moved to [NMIG 14]
(a) information about whether and how consumers and/or end-users and legitimate representatives or their credible proxies play a role in decisions regarding the design and implementation of these programmes or processes; and	<del>(a) information about whether and how consumers and/or end-users and legitimate representatives or their credible proxies play a role in decisions regarding the design and implementation of these programmes or processes; and</del>	
(b) information about the intended or achieved positive outcomes for consumers and/or end-users of these programmes or processes.	<del>(b) information about the intended or achieved positive outcomes for consumers and/or end-users of these programmes or processes.</del>	
AR 34. The undertaking may disclose whether any initiatives or processes whose primary aim is to deliver positive impacts for consumers and/or end-users are designed to also support the achievement of one or more of the UN Sustainable Development Goals (SDGs). For example, through a commitment to advance UN SDG 3 to “ensure healthy lives and promote well-being for all at all ages” the undertaking may be actively working to make its products less addictive and harmful to physical and psychological health.	<del>AR 34. The undertaking may disclose whether any initiatives or processes whose primary aim is to deliver positive impacts for consumers and/or end-users are designed to also support the achievement of one or more of the UN Sustainable Development Goals (SDGs). For example, through a commitment to advance UN SDG 3 to “ensure healthy lives and promote well-being for all at all ages” the undertaking may be actively working to make its products less addictive and harmful to physical and psychological health.</del>	<p><b>Deleted</b></p> <p>Based on EFRAG decision to enhance clarity and remove voluntary datapoints.</p>
AR 35. When disclosing the intended positive outcomes of its actions for consumers and/or end-users a distinction is to be made between evidence of certain activities having occurred (for example, that x number of consumers have received information about healthy eating habits) from evidence of actual outcomes for consumers and/or end-users (for example, that	<del>AR 35. When disclosing the intended positive outcomes of its actions for consumers and/or end-users a distinction is to be made between evidence of certain activities having occurred (for example, that x number of consumers have received information about healthy eating habits) from evidence of actual outcomes for consumers and/or end-users (for example, that x number of consumers have adopted healthier eating habits).</del>	<p><b>Deleted from mandatory content and moved to NMIG</b></p> <p>Moved to [NMIG 13]</p>

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

(d) business opportunities related to the undertaking's dependencies on consumers and/or end-users may include the achievement of a loyal future consumer base by ensuring, for example, that LGBTQI people are respected and that the undertaking's selling practices do not exclude such people from the products or services it offers.	<del>(d) business opportunities related to the undertaking's dependencies on consumers and/or end-users may include the achievement of a loyal future consumer base by ensuring, for example, that LGBTQI people are respected and that the undertaking's selling practices do not exclude such people from the products or services it offers.</del>	
AR 38. When disclosing whether dependencies turn into risks, the undertaking shall consider external developments.	<del>AR 38. When disclosing whether dependencies turn into risks, the undertaking shall consider external developments.</del>	
AR 39. When disclosing policies, action and resources and targets related to the management of material risks and opportunities, in cases where risks and opportunities arise from a material impact, the undertaking may cross-reference its disclosures on policies, action and resources and targets in relation to that impact.	<del>AR 39. When disclosing policies, action and resources and targets related to the management of material risks and opportunities, in cases where risks and opportunities arise from a material impact, the undertaking may cross-reference its disclosures on policies, action and resources and targets in relation to that impact.</del>	
AR 40. The undertaking shall consider the extent to which its processes to manage material risks related to consumers and/or end-users are integrated into its existing risk management processes and how.	<del>AR 40. The undertaking shall consider the extent to which its processes to manage material risks related to consumers and/or end-users are integrated into its existing risk management processes and how.</del>	
AR 41. When disclosing the resources allocated to the management of material impacts, the undertaking may disclose which internal functions are involved in managing the impacts and what types of action they take to address negative and advance positive impacts.	<del>AR 41. When disclosing the resources allocated to the management of material impacts, the undertaking may disclose which internal functions are involved in managing the impacts and what types of action they take to address negative and advance positive impacts.</del>	
Metrics and Targets		

<b>Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</b>	<b><del>Disclosure Requirement S4-4 S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</del> <u>Targets related to consumers and end-users</u></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS S4 Consumers and end-users</b>	
AR 42. When disclosing targets in relation to consumers and/or end-users, the undertaking may disclose:	AR 42. When disclosing targets in relation to consumers and/or end-users, the undertaking may disclose:	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 15]
(a) the intended outcomes to be achieved in the lives of consumers and/or end-users, being as specific as possible;	<del>(a) the intended outcomes to be achieved in the lives of consumers and/or end-users, being as specific as possible;</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 15]
(b) their stability over time in terms of definitions and methodologies to enable comparability; and/or	<del>(b) their stability over time in terms of definitions and methodologies to enable comparability; and/or</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 15]
(c) references standards or commitments on which the targets are based are to be clearly defined in the reporting (for instance codes of conduct, sourcing policies, global frameworks or industry codes).	<del>(c) references standards or commitments on which the targets are based are to be clearly defined in the reporting (for instance codes of conduct, sourcing policies, global frameworks or industry codes).</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 15]
AR 43. Targets related to material risks and opportunities may be the same as or distinct from targets tied to material impacts. For example, a target to ensure equal access to finance for underserved consumers could both reduce discrimination impacts on those consumers and enlarge the undertaking's pool of customers.	<del>AR 43. Targets related to material risks and opportunities may be the same as or distinct from targets tied to material impacts. For example, a target to ensure equal access to finance for underserved consumers could both reduce discrimination impacts on those consumers and enlarge the undertaking's pool of customers.</del>	<b>Deleted</b>  Based on EFRAG decision to enhance clarity.
AR 44. The undertaking may also distinguish between short, medium and long-term targets covering the same policy commitment. For	<del>AR 44. The undertaking may also distinguish between short, medium and long-term targets covering the same policy commitment. For example, the undertaking may</del>	<b>Deleted from mandatory content and moved to NMIG</b>  Moved to [NMIG 16]

example, the undertaking may have as a main objective to make its online services accessible to people with disabilities, with the long-term goal of having adapted 100% of its online services by 2025, and with the short-term objective of adding x number of accessible features every year up and until 2025.	<del>have as a main objective to make its online services accessible to people with disabilities, with the long-term goal of having adapted 100% of its online services by 2025, and with the short-term objective of adding x number of accessible features every year up and until 2025.</del>	
AR 45. When modifying or replacing a target in the reporting period, the undertaking may explain the change by cross-referencing it to significant changes in the business model or to broader changes in the accepted standard or legislation from which the target is derived to provide contextual information as per ESRS 2 BP-2 Disclosures in relation to specific circumstances.	<del>AR 45. When modifying or replacing a target in the reporting period, the undertaking may explain the change by cross-referencing it to significant changes in the business model or to broader changes in the accepted standard or legislation from which the target is derived to provide contextual information as per ESRS 2 BP-2 Disclosures in relation to specific circumstances.</del> AR 7. In the context of tracking the undertaking's performance against <b><i>targets</i></b> , engagement with <b><i>consumers</i></b> and/or <b><i>end-users</i></b> , their <b><i>legitimate representatives</i></b> , or with <b><i>credible proxies</i></b> , can inform its understanding of the effectiveness of its management of material negative impacts and the identification of lessons learnt or improvements.	<b>Amended</b>  Editorial amendments based on EFRAG decision to enhance clarity.