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ESRS S4 – *Consumer and End-users* - V1

November 2025

UNAPPROVED DRAFT

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Objective

1. The **sustainability statement** shall include information in relation to ESRS S4 *Consumers and end-users* if this **topic** relates to material **impacts, risks** and **opportunities** and cover the reporting areas listed in paragraph 5 of ESRS 1. When only one particular sub-topic prescribed by this Standard is material, paragraph 30 of ESRS 1 applies.
2. The objective of this Standard is to set out DRs providing information in relation to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 *General Requirements* and ESRS 2 *General Disclosures*.
3. In this Standard, each DR is introduced by a disclosure objective, with the exception of **policies, actions** and **targets**, for which the provisions in ESRS 2 GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant disclosures.
4. This Standard sets out DRs related to **consumers** and/or **end-users**, in particular with respect to the following **sub-topics**:
 - (a) information-related **impacts** for consumers and/or end-users (privacy, access to information, freedom of expression);
 - (b) personal safety of consumers and/or end-users (health and safety, protection of children, security of a person); and
 - (c) social inclusion of consumers and/or end-users (access to products and services, responsible marketing practices, non-discrimination).
5. The unlawful use or misuse of the undertaking's products and services by **consumers** and/or **end-users** fall outside the scope of this Standard.

Interaction with other topical ESRS

6. Social and environmental **topics** closely interact with each other. The main points of interaction between ESRS S4 and the other topical standards are the following:
 - (a) All the social standards, i.e. ESRS S1 *Own Workforce*, ESRS S2 *Workers in the value chain*, ESRS S3 *Affected Communities*, ESRS S4 *Consumers and End-Users*, are aligned in terms of content and structure and are closely related to each other. The disclosures in the social standards address material information needed for reporting on **impacts** on people, **risks** and **opportunities** related to each **stakeholder** group, including in relation to sustainability due diligence.

Disclosure Requirements**Impact, risk and opportunity management****Disclosure Requirement S4-1 – Policies related to consumers and end-users**

7. (15 amended) The undertaking shall describe its **policies** for managing the material **impacts, risks** and **opportunities** related to **consumers** and/or **end-users** in accordance with 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.

APPLICATION REQUIREMENTS

AR 1 for para. 7 (Policies related to consumers and end-users)	(AR 13 amended) The means of communication the undertaking uses to communicate its policies to the individuals, groups of individuals or entities for whom they are relevant, either because they are expected to implement them (for example, the undertaking's employees , contractors and suppliers), or because they have a direct interest in their implementation, are examples of policy aspects to disclose.
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Disclosure Requirement S4-2 – Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy

8. (19 amended) The objective of this DR is to enable an understanding of the undertaking's general approach to engagement with **consumers** and/or **end-users**, including the availability of channels to raise concerns or needs, such as **grievance mechanisms**, and approach to **remedy**.
9. (20 and 21 amended) The undertaking shall disclose how it engages directly with **consumers** and/or **end-users**, their **legitimate representatives**, or with **credible proxies**, and how the perspectives of consumers and/or end-users inform its decisions or activities aimed at managing the **actual** and **potential impacts** on consumers and/or end-users during the reporting year. This shall include how the undertaking gains insight into the perspectives of consumers and/or end-users who may be particularly vulnerable to impacts and/or are marginalised (for example, **persons with disabilities**, children), if the undertaking takes action to understand those perspectives.
10. (25b and d amended) The undertaking shall describe the channels available to **consumers** and/or **end-users** to bring their concerns or needs directly to its attention and have them addressed. In particular, it shall state whether it has a **grievance mechanism** in place¹. It shall also explain how it assesses the effectiveness of these channels.
11. (25a amended) The undertaking shall describe its general approach to and **processes** to provide or cooperate in **remediation** where it has caused or contributed to a material negative **impact** on **consumers** and/or **end-users**.

APPLICATION REQUIREMENTS

AR 2 for para. 9 (Engagement)	(AR 16 amended) Engagement with consumers and/or end-users can take different forms, such as information, consultation or participation, and occur at different frequencies.
AR 3 for para. 10 (Grievance mechanism)	<p>(AR 24 amended) The 'effectiveness criteria for non-judicial grievance mechanisms', as laid out in the UN Guiding Principles on Business and Human Rights, in particular principle 31, can be used for assessing the effectiveness of the channels.</p> <p>(26 amended) If the undertaking has policies for protecting individuals that use these channels against retaliation, and they are disclosed in DR ESRS G1-1, the undertaking may refer to that disclosure.</p>

Disclosure Requirement S4-3 – Actions and resources related to consumers and end-users

12. (30 amended) The undertaking shall describe the key **actions** and resources used to manage its material positive and negative **impacts, risks** and **opportunities** related to **consumers** and/or **end-users** in accordance with ESRS 2 GDR-A.
13. (31a, b and d amended) In relation to the material negative **impacts** on **consumers** and/or **end-users**, the undertaking shall describe:
 - (a) key **actions** to provide **remediation** in relation to actual material negative impacts or taken, planned or underway to prevent and mitigate potential material negative impacts on consumers and/or end-users, including its approach in situations where tensions arise between such actions and other business pressures (for example, practices related to marketing, sales and data use); and
 - (b) how it tracks and assesses the effectiveness of these actions in delivering outcomes for consumers and/or end-users. This disclosure can be omitted if the undertaking discloses how

¹ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #11 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ('Lack of processes and compliance mechanisms to monitor compliance with the UNGPs and the OECD Guidelines for Multinational Enterprises').

it tracks the effectiveness of its actions in accordance with ESRS 2 GDR-T or GDR-M. In that case, a reference to that disclosure is sufficient.

14. (35 amended) Subject to relevant privacy regulation, the undertaking shall disclose the **human rights incidents** connected to its **consumers** and/or **end-users** identified in the reporting period.²

APPLICATION REQUIREMENTS

<p>AR 4 for para. 13 (Key actions)</p>	<p>(AR 26 and AR 27 amended) The actions taken by the undertaking differ depending on its connection to the impact (causation, contribution, direct linkage), and how it has identified the actions as appropriate for addressing material impacts.</p> <p>Key actions to prevent, mitigate or remediate impacts include the use of different types of leverage and/or collective actions taken through multi-stakeholder and/or industry initiatives.</p>
<p>AR 5 for para. 14 (Human rights incidents)</p>	<p>(NEW) The human rights incidents in scope for this disclosure are those that relate to not respecting internationally recognised human rights as defined in CSRD Art. 29b (2) (b) (iii). These incidents are understood as the number of substantiated instances of:</p> <p>(a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation, complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or</p> <p>(b) incidents registered by the undertaking, including those it identified through its internal processes.</p>
<p>AR 6 for para. 14 (Human rights incidents)</p>	<p>(NEW) When applying the filter of information materiality (paragraph 23 of ESRS 1) to the information about incidents referred to under paragraph 14, the undertaking's assessment is primarily based on the severity of the impacts on consumers and end-users.</p>
<p>AR 7 for para. 14 (Contextual information)</p>	<p>(NEW) In accordance with GDR-M paragraph 49(c), to allow a proper understanding of the significant changes in performance, whether an increase in incidents being reported by or to the undertaking may reflect improvements in the effectiveness and availability of channels to raise concerns, including grievance mechanisms, can be provided as contextual information.</p> <p>In addition, it shall disclose the methodology it has used to compile the data on the incidents referred to in paragraph 14.</p>
<p>AR 8 para. 14 (Remedy or actions related to incidents disclosed)</p>	<p>(NEW) The way the undertaking has addressed or is addressing incidents referred to in paragraph 14 may be cross-referenced to paragraph 13.</p>

² This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory and additional indicator related to principal adverse impacts, as set out by indicator #10 in Table I of Annex I, by indicator #14 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments ("Violations of the UNGPs and the OECD Guidelines for Multinational Enterprises" and "Number of identified cases of severe human rights issues and incidents"), and the information needs of benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816 as set out by indicator 'Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law' in Section 1 and 2 of Annex II.

Metrics and Targets**Disclosure Requirement S4-4 – Targets related to consumers and end-users**

15. (40 amended) The undertaking shall disclose qualitative and/or quantitative **targets** related to **consumers** and/or **end-users** in accordance with ESRS 2 GDR-T.

APPLICATION REQUIREMENTS

<p>AR 9 for para. 15</p> <p>(Tracking performance against targets)</p>	<p>(41b and c amended) Engagement with consumers and/or end-users, their legitimate representatives, or with credible proxies, can inform the undertaking's tracking and assessment of the effectiveness of its actions disclosed under paragraph 13 (b), including the development of target-setting, metrics, and/or tracking of performance against those targets.</p> <p>In particular, in relation to the tracking of performance, such engagement can inform the understanding of the effectiveness of the undertaking's management of material negative impacts and the identification of lessons learnt or improvements.</p>
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