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ESRS E1 Climate change | The latest updates

10/02/2026

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De in deze presentatie opgenomen informatie en ingenomen standpunten zijn voor rekening van de sprekers en geven niet noodzakelijk het standpunt van het IBR weer.

Les informations contenues dans cette présentation et les opinions exprimées au cours de cette présentation sont celles des orateurs et ne reflètent pas nécessairement l'opinion de l'IRE.

ESRS 2025 Revisions
Content table

01

Introduction & learning objectives

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Introduction & learning objectives

Learning objectives

Learning objectives

Understand the **key updates between** the ESRS published in the Official Journal on 22 December 2023 (“**ESRS 2023**”) and the Draft Simplified ESRS delivered as Technical Advice to the European Commission on 30 November 2025 (“**Draft Simplified ESRS**”).

Recognize important **considerations** related to the new E1 Climate disclosure requirements to support effective sustainability reporting.

Explore the **principles-based approach** designed to enable more relevant and less burdensome sustainability reporting.

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02

Recap: the double materiality assessment (DMA)

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The double materiality assessment

Recap DMA

The core of ESRS reporting: **Double Materiality Assessment** (DMA)

DMA is the mandatory process to identify and assess material impacts, risks, and opportunities (IROs) related to sustainability. It is a strategic tool that forms the foundation of the entire ESRS report.

A well-executed DMA pinpoints the most significant sustainability topics, ensuring focused and relevant reporting for your organization and stakeholders. It is essential for strategic planning and transparent reporting under new regulations.

Two perspectives: **impact materiality** and **financial materiality**

__Impacts__ directly linked to undertaking

Actual or potential, positive or negative

Impacts on people or the environment

Short-, medium- and long-term time horizons

Impact materiality
Inside-out

Double Materiality

Financial materiality
Outside-in

__Financial effects__ on the undertaking

Actual or potential, risks or opportunities

Impacts on cash flows, development, performance, position, cost of capital or access to finance

Over the short-, medium- and long-term time horizons

The double materiality assessment

DMA in action: IRO examples

The Double Materiality Assessment (DMA) acts as a crucial filter for reporting by identifying which disclosures are mandatory and concentrating efforts on what truly matters. **Topics deemed non-material require no reporting according to ESRS**, simplifying the compliance process for companies.

A topic is material if its impact, risk, or opportunity is material.

Examples of IROs:

Materiality	Link to ESRS	Topic	Type of Impact, Risk, or Opportunity	Description of Impact, Risk, or Opportunity
Impact materiality	E1: Climate Change	GHG emissions reduction	Potential positive impact	Reducing Scope 1 & 2 emissions through renewable energy adoption and energy efficiency improvements, contributing to climate change mitigation and supporting the transition to a low-carbon economy.
Financial materiality	E1: Climate Change	Physical climate risk	Risk	Exposure to extreme weather events (floods, droughts, heatwaves) may disrupt operations, damage facilities, interrupt supply chains, increase insurance costs, and reduce asset values in vulnerable locations.
Financial materiality	E1: Climate Change	Climate related innovation	Opportunity	Developing low-carbon products and services, investing in clean technology, and adopting circular economy principles can create new revenue streams, enhance brand reputation, and attract ESG-conscious investors and customers.

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03

Timeline & regulatory context

Timeline & regulatory context

Compliance deadlines: Who reports when?

Understanding the phased rollout of ESRS is essential for **timely compliance** including reporting and assurance readiness. This timeline highlights the reporting deadlines for each wave of entities, including recent postponements.

Who	Criteria	Reporting as from	Status
Wave 1 Large Public-Interest Entities (PIEs) (companies in scope of NFRD)	• PIEs with more than 500 employees • Turnover > €34M or balance sheet > €17M	Reporting in 2025 for FY24 (under ESRS 2023).	Followig the Omnibus proposal, for EU companies, the criteria have changed to turnover > €450M ***and*** employees > 1000 people as from reporting year 2027. Wave 1 companies that no longer meet the criteria may be exempt from reporting, but only if member states exercise the option when transposing the directive in member state legislation.
Wave 2 All large entities as defined in the Accounting Directive, based in the EU or listed on an EU regulated market	Meeting 2 out of the following 3 criteria: • Turnover > €50M • Balance sheet > €25M • Employees > 250 people	Reporting in 2028 for FY27	The criteria have changed, and the reporting deadline is postponed. Followig the Omnibus proposal, for EU companies, the criteria have changed to turnover > €450M ***and*** employees > 1000 people.
Wave 3 Small and non-complex institutions			Under ESRS November 2025, Wave 3 is no longer applicable and considered under Wave 2.
Wave 4 Non-EU entities	• Listed on regulated market in EU • Turnover > €150M generated in EU ***and*** • Turnover of 1 EU subsidiary/branch > €40M	Reporting in 2029 for FY28	Followig the Omnibus proposal, for EU companies, the criteria have changed to turnover > €450M and a subsidiary/branch > €200M

Note: The legislation is subject to finalization and translation, and is expected to be published in the EU Official Journal later in the first half of 2026.

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Timeline & regulatory context

ESRS revision journey

February 26, 2025

Omnibus proposal

Published omnibus proposal.

March 27, 2025

EC Mandate

EC mandates EFRAG to **simplify** the ESRS.

July 31, 2025

Drafts published

Exposure Drafts are **published** for public review.

July 31 – Sept 29, 2025

Public consultation

A 60-day **public consultation** period begins.

November 2025

Proposal finalization

EFRAG works to **finalize** its proposals.

December 3, 2025

Advice submitted

Final Technical Advice is **submitted** to the EC.

2026

Delegated Act legislative process

The Draft Simplified ESRS are entering the EU Commission's legislative process for the Delegated Act.

Timeline & regulatory context

Key regulatory milestones

The **ESRS 2025 Revisions will only become applicable once the Omnibus Content Directive** (CSRD) **has been formally published in the Official Journal**. The European Commission is expected to adopt the final Delegated Act for the simplified ESRS in 2026. Currently, the Draft Simplified ESRS 2025 remain at the draft stage and are awaiting final approval.

11 Jul. '25 — 'Quick Fix' Adopted

The 'Quick Fix' Delegated Act is officially adopted, providing immediate relief for reporters. This crucial measure ensures that companies reporting in 2025 and 2026 face **no additional burden** compared to the 2024 requirements. It serves as a transitional step, simplifying compliance while the more comprehensive simplified standards are being finalized, offering much-needed **regulatory stability**.

03 Dec. '25 — Final Advice Submitted

EFRAG delivers its final advice to the European Commission, presenting the official proposal for simplified European Sustainability Reporting Standards (ESRS). This submission marks a critical step in the legislative process, consolidating extensive feedback and technical work into a formal recommendation. The proposal aims to create a more **accessible and streamlined** reporting framework for companies, balancing transparency with **practical feasibility**.

04 Dec. '25 — Knowledge Hub Launch

A new, dedicated ESRS Knowledge Hub is launched to support companies with implementation. This platform will serve as a central repository for guidance, best practices, and official documentation. Its goal is to provide **clear, actionable support** for reporters navigating the new standards, ensuring consistent application and enhancing the overall quality of sustainability disclosures across the EU. It is a **key resource** for all stakeholders.

2026 — Simplified ESRS Adopted

The European Commission is expected to adopt the final Delegated Act for the simplified ESRS. This act will then undergo a **two-month scrutiny period** by the European Parliament and Council before it becomes law. This final step will formalize the new, streamlined reporting requirements, concluding the legislative process and setting a clear path forward for **future compliance** and corporate transparency.

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04

High-level overview of ESRS 2025 changes

High-level overview of ESRS 2025 changes

Key regulatory milestones

The structure remains unchanged between ESRS 2023 and the Draft Simplified ESRS 2025, maintaining the division into ESRS 1, ESRS 2, and the environmental, social, and governance (ESG) standards.

ENVIRONMENTAL

The Environmental pillar focuses on the planet's health and resource management. It includes five key topics: Climate (E1), Pollution (E2), Water (E3), Biodiversity (E4), and Circular Economy (E5). These standards require companies to report on their **environmental impacts, risks, and opportunities**, ensuring a comprehensive view of their ecological footprint and sustainability efforts.

SOCIAL

The Social pillar addresses the human element of business operations, covering impacts on all stakeholders. It is divided into four main areas: Own Workforce (S1), Value Chain Workers (S2), Affected Communities (S3), and Consumers (S4). This pillar ensures companies are transparent about their labor practices, community engagement, and consumer relations, promoting **social responsibility**.

GOVERNANCE & CROSS-CUTTING

The Governance pillar, currently comprising Business Conduct (G1), sets the foundation for ethical **corporate behavior and decision-making**. Supporting all pillars are the **cross-cutting standards**: ESRS 1 (General Requirements) and ESRS 2 (General Disclosures). These two standards provide the overarching framework and general disclosure requirements that apply universally across all topical standards.

High-level overview of ESRS 2025 changes

Scope & transition guidance

Impact of the 'Stop-the-Clock' Directive

- Reporting deadlines for **Wave 2** and **Wave 3** has been postponed, deferring their ESRS compliance requirements. This extension gives these entities additional time to prepare for ESRS implementation.
- **Wave 1** companies remain on schedule and must meet their original reporting deadlines without delay.

Transition Reliefs for ESRS Adoption

To support a smoother adoption of ESRS, several transition reliefs have been introduced, mainly benefiting Wave 1 companies. These measures ease the initial reporting burden by allowing phased implementation of certain disclosure requirements.

Non-exhaustive Key Phase-In Reliefs

- First-Year Exemptions: Companies can omit disclosures on anticipated financial effects from sustainability risks and opportunities, as well as some biodiversity and social data points, during their first reporting year. The "quick-fix" amendment will allow these companies to omit that same information for financial years 2025 and 2026.
- Three-Year Phase-In: Certain disclosures related to a company's own workforce (e.g., social protection, training) can be gradually introduced over three years.

This means wave one companies will not have to report additional information compared to financial year 2024.

Principles-Based Reporting

The ESRS 2025 revision introduces a strategic shift towards **principles-based reporting**, giving companies greater flexibility in reporting their actions, such as prevention, mitigation, and remediation. Rather than following prescriptive rules, companies can tailor disclosures to reflect their unique operational context and sustainability strategies.

Additionally, the **'undue cost or effort' principle** has been expanded to apply across all ESRS standards. This allows companies to omit information if collecting it would involve disproportionate cost or effort, provided they clearly explain the omission and their plans to obtain the data in the future. This flexibility acknowledges practical data collection challenges without strict time limits.

High-level overview of ESRS 2025 changes

Key changes ESRS

Key changes from ESRS 2023 to the simplified 2025 framework are outlined in the table below. These updates streamline data requirements and introduce a principles-based reporting approach, facilitating adaptation to the new standards.

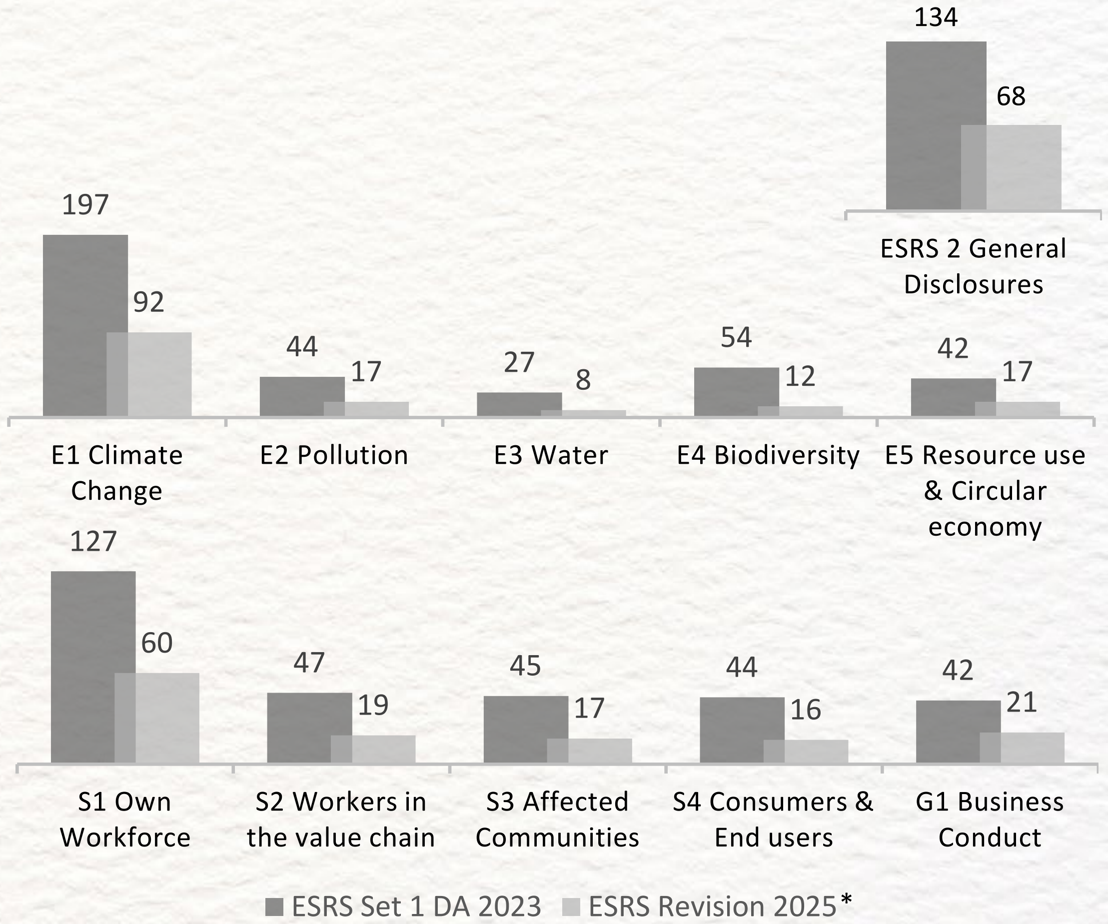
Feature	ESRS 2023	ESRS 2025 (Simplified)
Data Points	High number of mandatory data points	**61% reduction** in mandatory data points (when material)
Voluntary Disclosures	Included	All voluntary disclosures **removed**
Reporting Style	Rigid, data-point focused	**Principles-based** narrative reporting
DMA	Complex assessment and documentation	**Simplified DMA** with clearer guidance and reduced documentation
Alignment	Some alignment with ISSB	**Better alignment** with ISSB (IFRS S1 & S2)
Disclosure Requirements	/	Disclosure requirements are **revised**, reflecting a change in structure and numbering.
Disclosure Requirements for policies, actions, targets & metrics	Bundled in the **minimum disclosure requirements (MDR**) in ESRS 2	Renamed as **general disclosure requirements (GDR)** in ESRS 2 and revised (to eliminate overlap etween general disclosures and topical standards)

High-level overview of ESRS 2025 changes

Key changes ESRS: datapoints (1/2)

The overview below highlights the cross-cutting measures proposed by EFRAG to streamline sustainability reporting.

Datapoint reduction does not necessarily lead to proportionate reduction of efforts for preparers and assurance providers



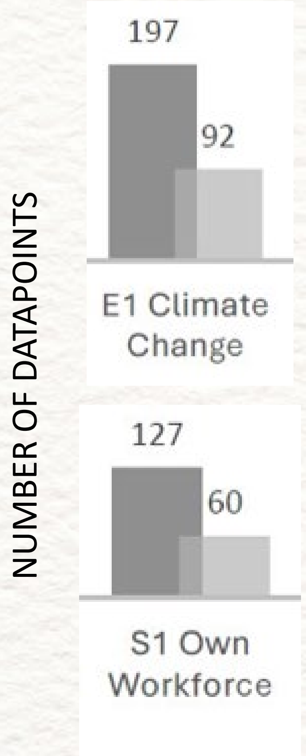
**Compared to the Draft Simplified versions published in July 2025*

High-level overview of ESRS 2025 changes

Key changes ESRS: datapoints (2/2)

These examples demonstrate that the reduction of DPs is sometimes rather minimal, resulting in only modest or no time savings.

Quantitative datapoints (DPs) - Example



For example, in E1, **“energy intensity”** and **“GHG intensity”** KPIs are no longer mandatory to report. However, on closer inspection, although these KPIs are omitted, their underlying elements (energy consumption, GHG emissions, and revenue) still need to be disclosed. Therefore, removing these data points does not genuinely simplify the reporting process.

A similar observation applies to S1. For example, the data point **“number of employees that left the undertaking”** is no longer required. Yet, since the “employee turnover rate” must still be reported, and it depends on the number of employees who left, this information remains necessary.

**Compared to the Draft Simplified versions published in July 2025*

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High-level overview of ESRS 2025 changes

Disclosure requirement structural changes

These examples demonstrate the change in structure of the disclosure requirements in the draft simplified ESRS.

Disclosure Requirements

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

22. **The undertaking shall describe its *policies* adopted to manage its material *impacts*, *risks* and *opportunities* related to *climate change mitigation* and *adaptation*.**

23. 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 its material ***climate change mitigation*** and ***adaptation impacts, risks*** and ***opportunities.***

24. The disclosure required by paragraph 22 shall contain the information on the ***policies*** the undertaking has in place to manage its material ***impacts, risks*** and ***opportunities*** related to ***climate change mitigation*** and ***adaptation*** in accordance with ESRS 2 MDR-P *Policies adopted to manage material sustainability matters*.

25. The undertaking shall indicate whether and how its ***policies*** address the following areas:

    (a) ***climate change mitigation***;

    (b) ***climate change adaptation***;

    (c) energy efficiency;

    (d) ***renewable energy*** deployment; and

    (e) other

ESRS Set 1 DA 2023

Disclosure Requirement E1-4 – *Policies related to climate change mitigation and adaptation*

19. (24 amended) The undertaking shall disclose its ***climate change mitigation*** and ***climate change adaptation policies*** in accordance with the provisions of ESRS 2 GDR-P.

Draft Simplified ESRS December 2025

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05

Deep dive: E1 climate disclosure

Deep dive: E1 climate disclosure

Key changes ESRS: disclosure requirements

The numbering and wording of the disclosure requirements (DR) have been revised. While this may give the impression of fewer requirements, the overall reporting scope remains unchanged. The following provides an example for the changes in the DR included under E1.

Disclosure Requirements

ESRS 2023 – E1

ESRS 2025 – E1

★ ESRS GOV-3 is considered in ESRS 2

Deep dive: E1 climate disclosure

E1-1: Transition plan for climate change mitigation

The goal is to show how the company has been and will be reducing its environmental impact. It helps to understand if the company's strategy and business model support the transition to a sustainable economy and align with the Paris Agreement's goal to limit global warming to 1.5°C. This also includes meeting the European Climate Law's target of climate neutrality by 2050.

New/Amendments

- Explicit requirement for key features to be aligned with the limiting of global warming to 1.5°C and the EU Climate Law objectives.
- The disclosure is now consolidated into a clear, single narrative covering key features, governance approval, and alignment with the business strategy.

Removed

- Datapoint on exclusion from EU Paris-aligned benchmarks removed

Deep dive: E1 climate disclosure

E1-2: Identification of climate-related risk and scenario analysis

The purpose is to help users understand how the organization identifies and evaluates climate-related impacts, risks, and opportunities that are financially material.

New/Amendments

- Included an objective explicitly stating the focus on financial materiality of climate-related risks and opportunities.
- Shift from prescriptive lists to principles-based disclosures, allowing for more tailored reporting
- Shift from IRO-1 (ESRS 2) to E1-2 (ESRS E1) for climate scenario analysis requirements

Removed

- Some redundant or overlapping paragraphs streamlined or deleted to reduce complexity.

Deep dive: E1 climate disclosure

E1-3: Resilience in relation to climate change

The objective is to provide users with an understanding of the extent to which the organization's strategy and business model are prepared for, and can adapt to, material climate-related risks.

New/Amendments

- Included an objective to provide better understanding of the DR.
- The structure and content of the datapoints under ESRS E1-3 are aligned with IFRS S2.22.
- Shift from SBM-3 (ESRS 2) to E1-3 (ESRS E1) for climate-related policies and management disclosures

Removed

- N/A

Deep dive: E1 climate disclosure

E1-4: Policies related to climate change mitigation and adaptation

The objective is to disclose the organization's climate change mitigation and adaptation policies.

New/Amendments

- Data points simplified and consolidated for clarity and alignment with related standards.

Removed

- Unnecessary and detailed specifications removed to reduce complexity and avoid duplication.

Deep dive: E1 climate disclosure

E1-5: Actions and resources in relation to climate change mitigation & adaptation

The objective is to offer insight into the key actions undertaken and planned to meet climate-related policy objectives and targets.

New/Amendments

- Consolidated and removed redundant datapoints.

Removed

- Reference to EU Taxonomy KPI's has been removed

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Deep dive: E1 climate disclosure

E1-6: Targets related to climate change

The objective is to provide insight into the targets the organization has established to support its climate change mitigation and adaptation policies, and to address its material climate-related impacts, risks, and opportunities.

New/Amendments

- Clear disclosure of absolute and intensity-based GHG emission reduction targets for scopes 1, 2, and 3, specifying covered scopes and gases.
- Requirement to explain consistency between targets and GHG inventory boundaries if scopes differ.
- Enhanced disclosure on science-based targets aligned with limiting warming to 1.5°C, including frameworks, methodologies, scenarios, and assurance.

Removed

- Requirements to update base year and set targets every five years deleted to allow flexibility.

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Deep dive: E1 climate disclosure

E1-7: Energy consumption mix

It aims to provide clarity on the organization's total energy use, advancements in energy efficiency, its exposure to coal, oil, and gas activities, and the percentage of renewable energy in its overall energy consumption.

New/Amendments

- Disclosure streamlined to focus on total energy consumption in MWh related to own operations.

Removed

- Energy intensity datapoints deleted
- Detailed disaggregation of renewable energy consumption into subcategories removed for simplification

Deep dive: E1 climate disclosure

E1-8: Gross scope 1, 2, 3 GHG emissions

The objective is to provide a clear overview of the undertaking's greenhouse gas emissions, covering direct emissions (Scope 1), indirect emissions from energy use (Scope 2), emissions from the value chain (Scope 3), and total emissions. This information supports tracking progress towards climate targets and regulatory goals.

New/Amendments

- The reporting boundary for GHG emissions in ESRS have been rephrased and reworded. ESRS E1 requires the use of the financial control approach (the reporting undertaking, which is the consolidated accounting group), and in addition requires an extension of scope 1 and 2 reporting for assets under operational control that are not included in the consolidated financial statements.

Removed

- Table about scope 1, 2 and 3 emissions has incorporated flexibility
- Deletion of GHG emissions intensity (total emissions per net revenue) disclosure due to challenges in comparability and stakeholder feedback
- Removal of requirement to report total GHG emissions (sum of Scopes 1, 2, and 3) due to lack of alignment with international standards

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Deep dive: E1 climate disclosure

E1-8: Gross scope 1, 2, 3 GHG emissions

	Control approaches		
	Operational Control	**Financial Control**	**Equity Share**
Description	Accounts for GHG emissions where your company has operational control and the "full authority to introduce and implement its operating policies at the operation"	Accounts for GHG emissions over which your company has financial control, which is the "ability to direct the financial and operating policies of the operation"	Accounts for GHG emissions from operations according to your company's share of equity
Accounting rule according to the GHG protocol	0% if your company has no operational control or 100% if your company has operational control	From 0% to 100% based on treatment in financial accounts (e.g., affiliated company = 0%; JV = proportionally to % of interest; subsidiary = 100%)	From 0% to 100% based on economic interest held by the company
Examples	Company A reports 100% of emissions from its global operations. It owns a 25% stake in a supplier company, but no operational control so reports 0% of that company's emissions	A holding company B has interests in companies across sectors. It reports 100% of emissions from all companies where they maintain financial control	Company C has a 10% share in factories in Asia. It reports 100% of emissions from its own operations and 10% from Asian factories
Advantages	Gives full ownership of GHG emissions to the company that can actually reduce them, allowing for performance tracking. Companies have better access to operational data and greater ability to ensure quality.	Closer alignment between carbon and financial accounting	Assigns ownership of GHG emissions based on economic interest in an activity Gives comprehensive coverage of risks as financial liability often rests with the holding company

Source: Corporate Standard | GHG Protocol p18-25

Deep dive: E1 climate disclosure

E1-9: GHG removals & GHG mitigation projects financed through carbon credits

The objective is to explain the undertaking's efforts to permanently remove greenhouse gases from the atmosphere, supporting net-zero targets. It also aims to clarify the extent and quality of carbon credits purchased or planned from the voluntary market to back its GHG neutrality claims.

New/Amendments

- The objective has been refined for more clarity
- More detailed disclosures on GHG removals and storage for each project, e.g.:
    - Requirement to disclose amounts of GHG removals and storage and description of each project
    - More granular disclosure on carbon credits purchased or planned
    - Risk of non-permanence is added

Removed

- The explanation of the net-zero target, and residual emissions neutralization has been moved to Application Requirement 11 (AR 11)

Deep dive: E1 climate disclosure

E1-10: Internal carbon pricing

The objective is to disclose whether the undertaking uses internal carbon pricing schemes and how these schemes support decision-making and encourage the implementation of climate-related policies and targets.

New/Amendments

- An objective has been added to clarify the purpose of the disclosure
- The disclosure is simplified and streamlined to focus on how carbon pricing is applied in decision-making and the average carbon price, rather than detailed breakdowns of scheme types, scopes, and emission volumes.

Removed

- Approximate gross GHG emission volumes by Scopes 1, 2 and, where applicable, Scope 3 in metric tonnes of CO_2eq covered by these schemes

Deep dive: E1 climate disclosure

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E1-11: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The objective is to provide an understanding of how identified climate-related material impacts, physical and transition risks, and opportunities are expected to influence the undertaking’s financial position and future performance.

New/Amendments

- A clear objective has been added to provide clarification
- There is a stronger emphasis on complementing ESRS 2 SBM-3 disclosures regarding anticipated financial effects.
- Disclosure requirements have been refined and reworded to enhance clarity.

Removed

- Several application requirements
- Datapoint about location of significant assets at material physical risk
- Reconciliation with the the relevant line items or notes in the the financial statements
- Quantification of the financial effects that arise from opportunities

06

Testimonial Fluvius

Fien De Clercq, Sustainability Manager

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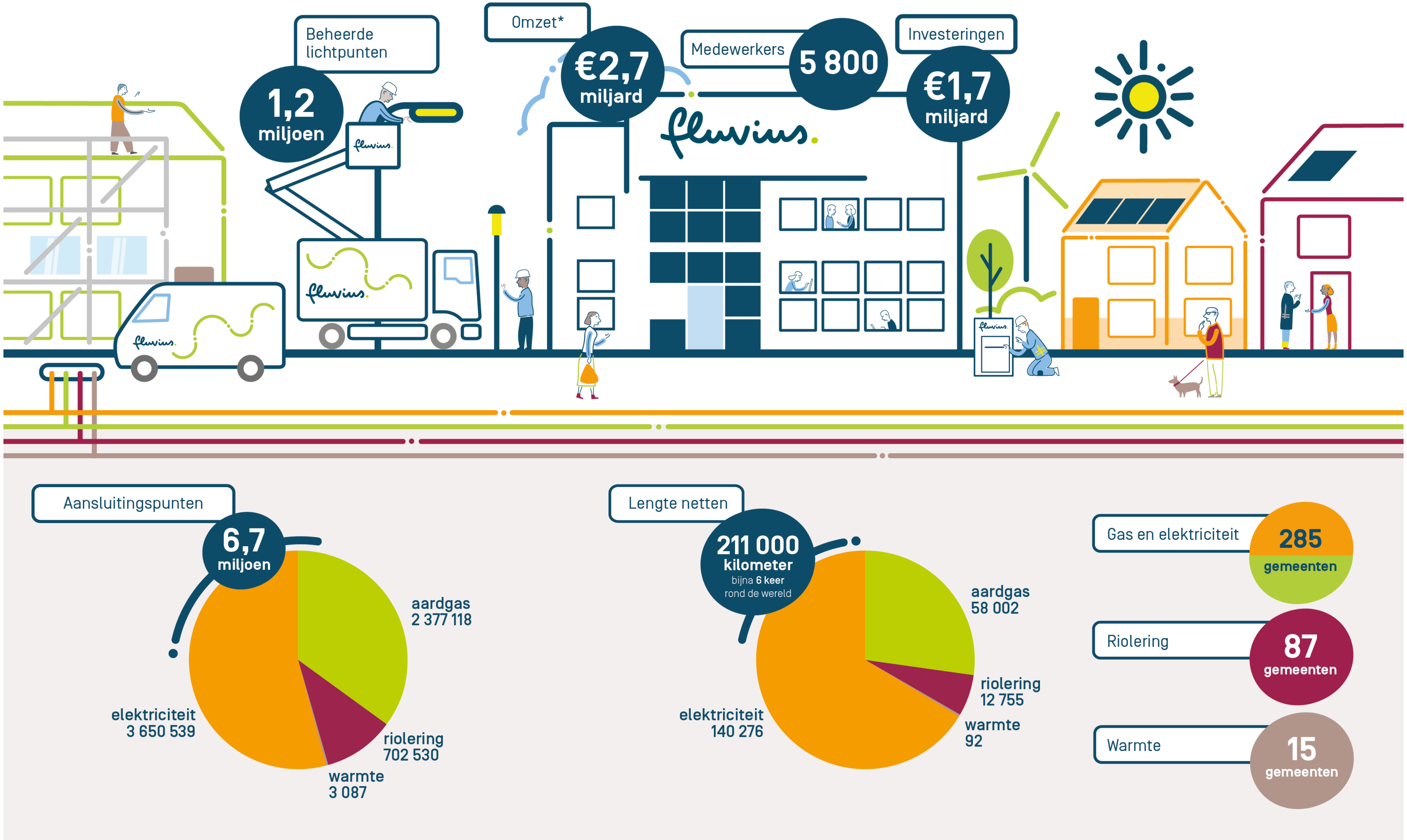
Introduction Fluvius

- Flemish multi-utility distribution grid operator
- Electricity, gas, heat, public lighting, sewerage
- > 2 billion euro turnover & > 6000 employees
- Issuer of Green Bonds on regulated market -> wave 1 company
- Link to Annual Report incl CSRD statement 2024
- New reporting about 2025 expected end of March 2026

Fluvius, tot bij u [Kerncijfers 2024]

** Omzet Fluvius System Operator geconsolideerde groep per eind 2024*



Our investment plans

11 billion euros in coming 10 years

Annual budget of 30 million euros

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Our climate footprint & handprint

- Investing in the energy transition doesn’t mean Fluvius achieves carbon neutrality
- On the contrary, our carbon emissions rise because of it (more distributed energy means more grid losses, more employees means more vehicles, more investments means more material use and more contractors at work, …) -> this is **our footprint**
- Thanks to our investments, our customers are enabled to become carbon/energy neutral -> this is our **handprint**


EFFER
655
EFFER

Adapting to climate change

- Sewerage grid operator for 87 local municipalities in Flanders
- Reduction targets, overflow frequency, sewerage rate, treatment rate, rainwater and drought plans, …
- Investment plan sewerage of 1,7 billion euros until 2033
- Thanks to our investments, our **customers are more resilient** to climate change
- What we also see: higher/different grid usage for electricity grid, extreme weather events -> this is our **own business resilience**

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CSRD reporting: strategy & challenges

- Transparancy is key: if you don't have something, just report this gap
- Focus on obligatory data points, no extras
- Application of ESRS structure as a table of content
- Wave 1 company means no benchmarking is possible
- GHG protocol provides tools/suggestions to report in CSRD E1
- Huge amount of information to be consolidated into new structure
- Think futureproof and pragmatic
- You have time to mature: year 1 focus on compliance, year 2 focus on process documentation, year 3 focus on readability and alignment on strategy

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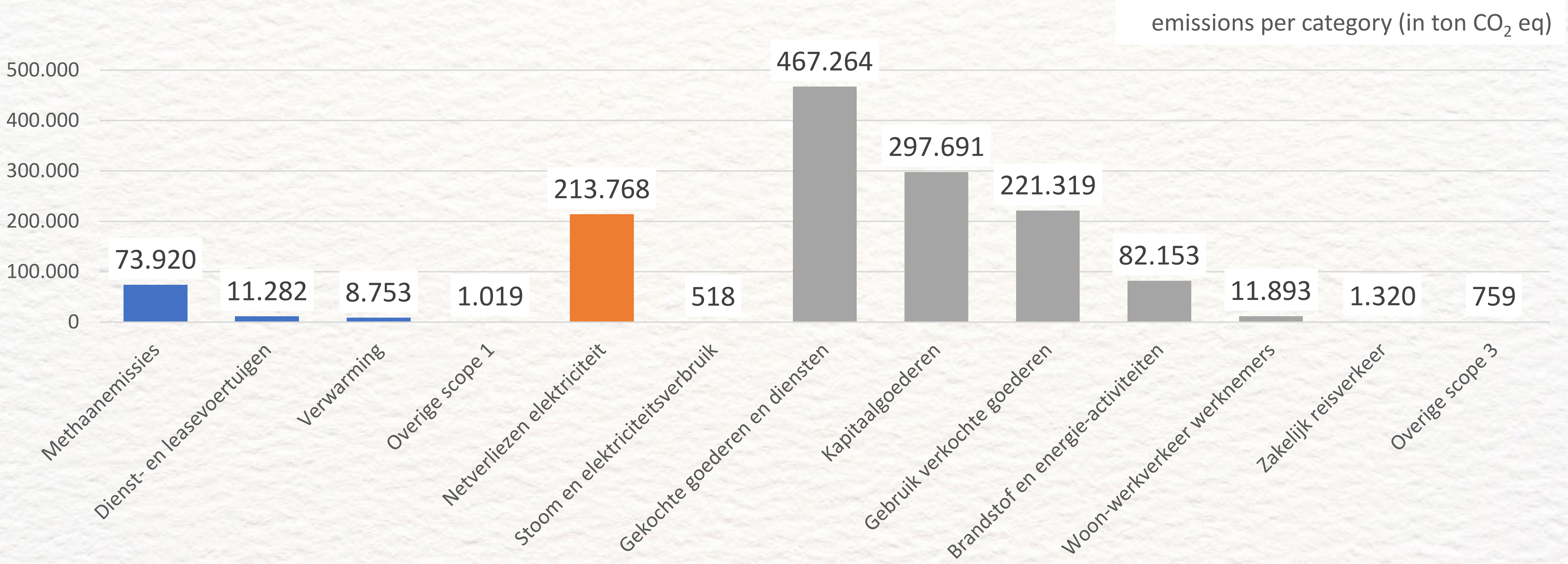
E1 reporting: carbon calculations

- GHG protocol & guidances are your best friend
- First challenge not data quality, but data availability
- Emission data bases do not always provide suited emission factors
- Go spend based as a first time scope 3 cat 1/2 reporter
- Use year N-1 data when lead times for data collection are too high
- Don’t go fully automated as a first time reporter (we use Excel)
- Use these calculations to identify decarbonisation levers

Breakdown of our 2024 emissions



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E1 reporting: transition plan

- Identifying decarbonisation levers is crucial
- We use this for structuring the transition plan, policies, actions, …
- This doesn't radically change every year, but structure it in a way that it can be updated easily with for example added climate actions
- Link with financial resources & interconnectivity with financial reporting is only feasible if the financial impact is material, report qualitatively in a pragmatic way
- Lesson learned: use references to other documents such as investment plans instead of disclosing everything in CSRD (it generates too much pages)

Challenges ahead

- ESRS 2.0 implementation for 2026
- More focus on resilience, not only in CSRD reporting, but also CER
- Availability of activity based emission factors
- Measuring effectiveness
- Scope 4 reporting (avoided emissions)
- Relative emissions versus absolute numbers
- Methodology improvements & effect on base year and targets
- …

Conclusion

- Our E1 reporting is far from perfect, but it is compliant with CSRD
- We learned a lot from our first reporting cycle
- We improve our reporting maturity every year
- We need our value chain to reach the desired maturity level
- Setting up accurate carbon accounting methodology is a crucial step for reaching decarbonisation targets
- If we pay more for a less carbon intensive product today, our emissions become higher instead of lower (because of the spend based method for scope 3 cat 1&2)

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Q&A

07

Appendices & key resources

Appendices & resources

Appendix: removed datapoints ESRS 2023 vs. 2025 (general)

To reduce the administrative burden and streamline the reporting process, the European Commission has removed and/or simplified several data points from the initial ESRS 2023 drafts. These changes shift the focus from exhaustive data collection to materiality-driven disclosure, making the ESRS framework more practical for preparers while ensuring stakeholders receive relevant and manageable sustainability information.

The final delegated act introduces key simplifications, including:

- **Elimination** of all **voluntary data points**, focusing the standards on mandatory disclosures only.
- **Reduced granularity for climate transition plan disclosures**, simplifying reporting in this area.
- **Streamlined requirements for Policies, Actions, and Targets (PAT)** across all standards, enhancing consistency and reducing duplication.
- **Simplified narrative requirements in ESRS 1** (General Requirements) to ease overall reporting effort.
- **Reduced workforce and diversity metrics** in the social domain, concentrating on the most material aspects.
- **Environmental** reporting changes include:
  - **Biodiversity (E4)**: Location-specific disclosures were consolidated, reducing the complexity of reporting on geographically diverse operations.
  - **Pollution (E2)**: Detailed listings of pollutants were moved from the main body of the standard to annexes, making the core requirements more accessible and easier to navigate.

Appendices & resources

Appendix: removed datapoints ESRS 2023 vs. 2025 (E1)

EFRAG has created a comparative table between ESRS 2023 and the draft simplified ESRS 2025 covering all disclosure requirements. Below is a specific example for E1.

Example

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
(c) the results of the resilience analysis including the results from the use of scenario analysis.	(c) its capacity to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term.	(c) its capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term.
Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation	***Disclosure Requirement E1-4 – Policies related to climate change***	***Disclosure Requirement E1-4 – Policies related to climate change***
22. The undertaking shall describe its *policies* adopted to manage its material *impacts*, *risks* and *opportunities* related to *climate change mitigation* and *adaptation*.		
23. 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 its material ***climate change mitigation*** and ***adaptation impacts, risks*** and ***opportunities.***		
24. The disclosure required by paragraph 22 shall contain the information on the ***policies*** the undertaking has in place to manage its material ***impacts, risks*** and ***opportunities*** related to ***climate change mitigation*** and ***adaptation*** in accordance with ESRS 2 MDR-P *Policies adopted to manage material sustainability matters*.	22. The undertaking shall disclose its climate change ***policies*** in accordance with the provisions of [Draft] Amended ESRS 2 GDR-P.	19. The undertaking shall disclose its ***climate change mitigation*** and ***climate change adaptation policies*** in accordance with the provisions of ESRS 2 GDR-P.
25.The undertaking shall indicate whether and how its ***policies*** address the following areas: a. ***climate change mitigation***; b. ***climate change adaptation***; c. energy efficiency; d. ***renewable energy*** deployment; and other		

References

- Comparative table of ESRS E1: Comparative_Table_2025_December_E1.pdf
- Overview of comparative tables: https://www.efrag.org/en/draft-simplified-esrs-comparative-table-of-texts
- Log of amendments of ESRS E1: Log_of_Amendments_of_the_November_2025_ESRS_E1
- Overview of amendments: Draft Simplified ESRS - Log of Amendments | EFRAG

Appendices & resources

Key resources

EFRAG's Final Technical Advice to the European Commission, issued on December 3, 2025
This foundational document outlines the recommended changes to the European Sustainability Reporting Standards (ESRS), forming the basis for the 2025 revisions and detailing the rationale behind them.

EFRAG provides its technical advice on draft simplified ESRS to the European Commission | EFRAG

ESRS Knowledge Hub, launched on December 4, 2025
A centralized platform providing comprehensive guidance, implementation support, and educational materials to assist organizations in understanding the updated ESRS framework.

EFRAG launches the ESRS Knowledge Hub, a new digital gateway to sustainability reporting | EFRAG

Delegated Regulation (EU) 2025/1416 ('Quick Fix' Act)
This regulation introduces targeted amendments to streamline reporting obligations, addressing immediate practical challenges and clarifying specific disclosure requirements to facilitate the transition.

Delegated regulation - EU - 2025/1416 - EN - EUR-Lex

'Stop-the-Clock' Directive from April 14, 2025
A directive that temporarily paused certain regulatory timelines, allowing companies additional time to prepare for the ESRS 2025 changes and adjust their internal processes accordingly.

Directive - EU - 2025/794 - EN - EUR-Lex

Join our next online workshops

from 12:00 to 1:30 pm

08-12-2025
Getting ready for sustainability reporting outside of a legal obligation : how to use reporting standards like VSME to stand out?

10-02-2026
ESRS E1 Climate Change – latest updates

06-01-2026
1st year CSRD: benchmark & lessons learned

18-03-2026
Moving towards Simplified European Sustainability Reporting Standards (ESRS)
Some key insights and recommendations

19-01-2026
Double materiality assessment 2.0: Advancing from qualitative insights to quantified ESG risks and opportunities for stronger stakeholder buy-in and activation

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Evaluation form

Please scan the QR Code to access to the evaluation form:

Thank you for your participation