



EUROPEAN SUSTAINABILITY REPORTING STANDARDS

FACTSHEET #6

SEPTEMBER 2023

FIRST SET OF ESRS PUBLISHED**

WHAT DOES IT MEAN

- Under CSRD, more companies have to prepare extensive sustainability reports, applying the ESRS
- CSRD apply to
 - ❖ all large EU listed companies*
 - ❖ large subsidiaries of non EU parents and
 - ❖ non EU companies with a turnover > 150 millions EUR
- The EU Parliament and EU Council have up to 4 months to object the text published
- The ESRS will apply for the FY 2024 if no objection is made
- Member states must adopt the ESRS by mid 2024

*All large companies:» 250 employees and/or»€40M Turnover and/or»€20M Total assets
** Publication on July 30, 2023

WHAT IS INCLUDED IN ESRS FIRST SET?

2 CROSS CUTTING ESRS

**ESRS 1
GENERAL REQUIREMENTS**

**ESRS 2
GENERAL DISCLOSURES**

10 TOPIC SPECIFIC ESRS

**ESRS E1
CLIMATE CHANGE**

**ESRS S1
OWN WORKFORCE**

**ESRS G1
BUSINESS CONDUCT**

**ESRS E2
POLLUTION**

**ESRS S2
WORKERS IN THE VALUE CHAIN**

**ESRS E3
WATER & MARINE RESOURCES**

**ESRS S3
AFFECTED COMMUNITIES**

**ESRS E4
BIODIVERSITY & ECOSYSTEMS**

**ESRS S4
CONSUMERS & END USERS**

**ESRS E5
RESOURCE USE & THE CIRCULAR ECONOMY**

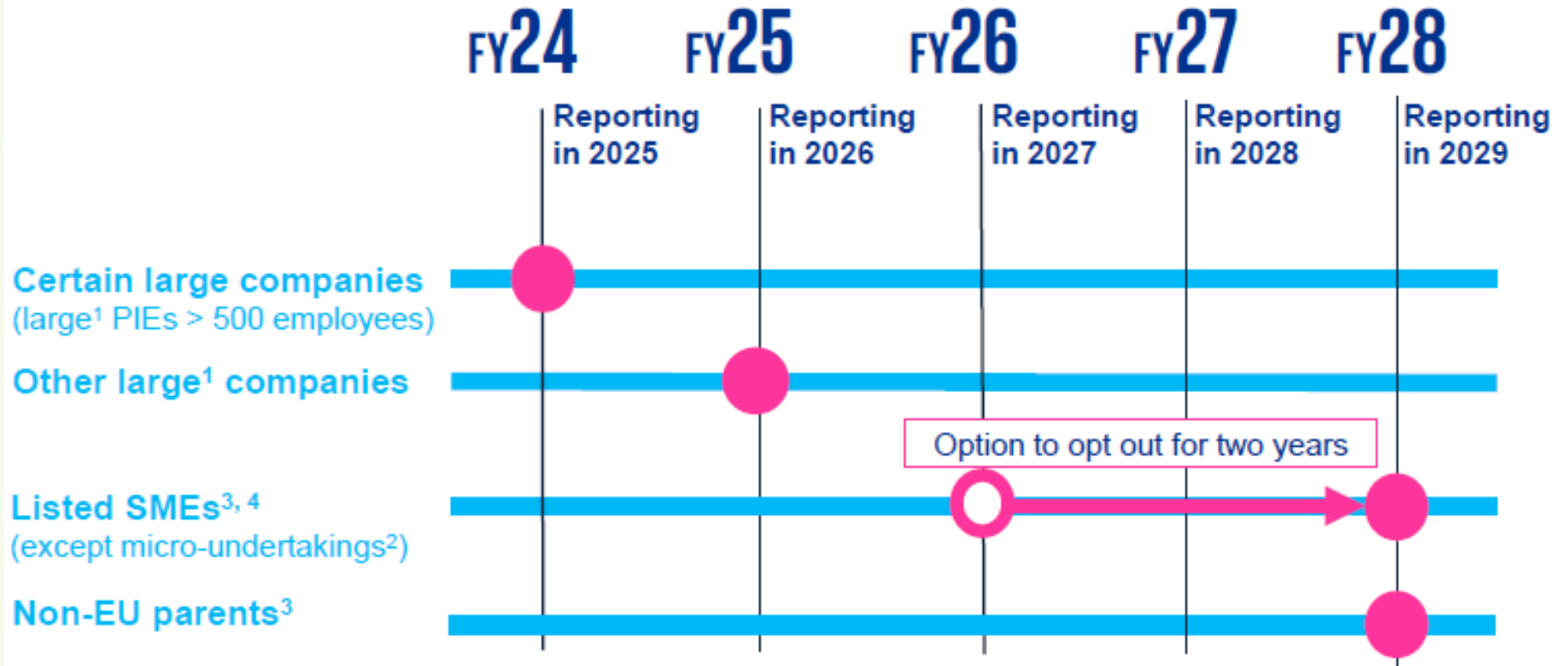
WHEN TO APPLY ESRS

1 large companies are those that, on the balance sheet date, exceed 2 of the following 3 criteria (including EU and non-EU subsidiaries): 250 employees, net revenue of EUR 40 Mil or total assets of EUR 20Mil.

2.MU are companies that do not exceed 2 of the following 3 criteria: 10 employees, net revenues of EUR 700K or total assets of EUR 350K.

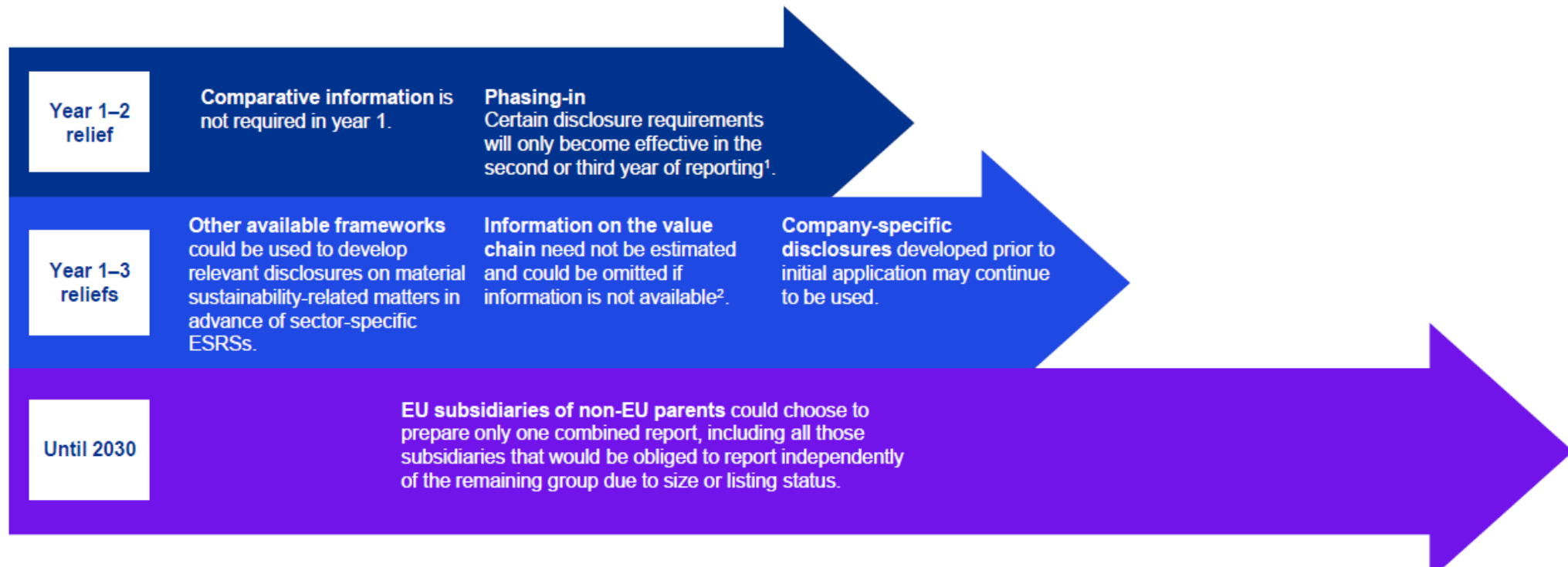
3 Separate standards will be developed.

4 Small and non-complex institutions and captive insurers are treated like listed SMEs (opt-out option until 2028 does not apply unless they also meet the definition of SME).



WHAT ARE THE PHASE-IN RELIEFS?

INTRODUCTION OF PHASING IN MEASURES TO REDUCE REPORTING BURDEN



WHAT NEEDS TO BE REPORTED

- In this final text, only disclosure requirements of ESRS 2 are always mandatory
- For the other disclosure requirements, they are subject to the company specific double materiality assessment
- Double materiality is about financial and impact dimensions and company must report matters material in either dimension
- The level of materiality may be assess at all levels: datapoint, individual disclosure requirement or topical standard

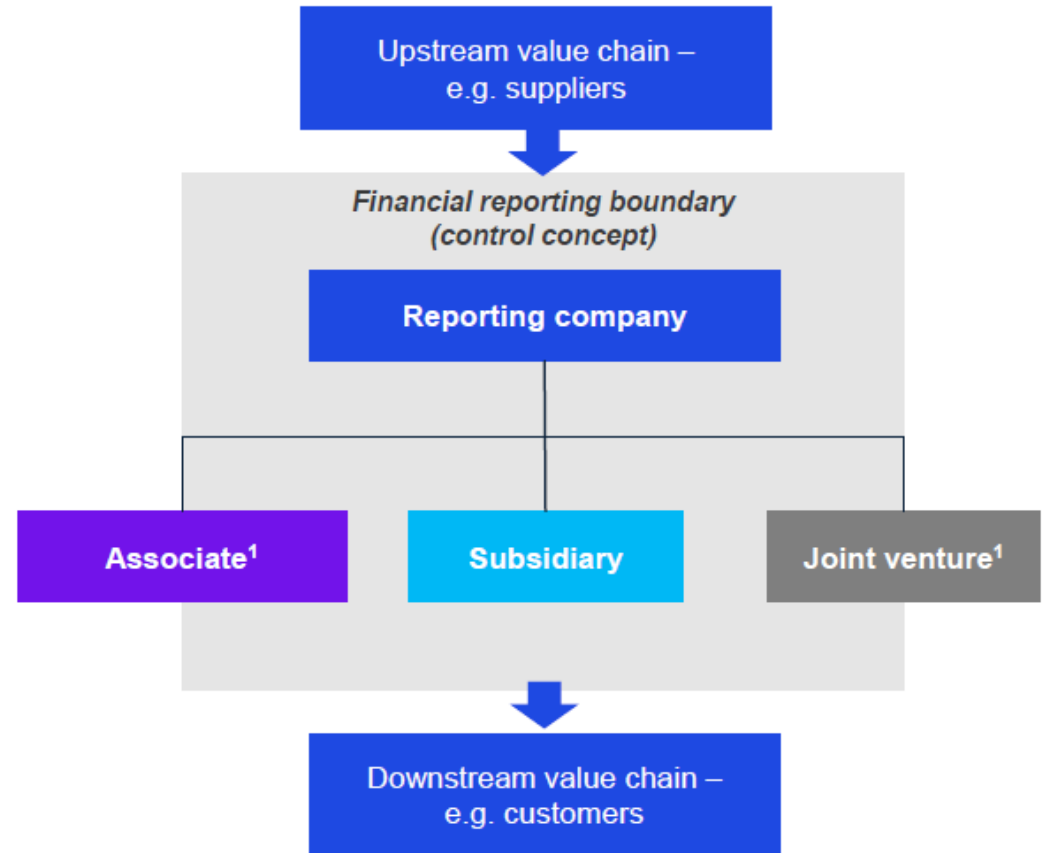
COMPANY'S IMPACTS ON THE ECONOMY, ENVIRONMENT AND PEOPLE (INSIDE VIEW)

SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

FINANCIAL STATEMENTS

WHAT ARE THE REPORTING BOUNDARIES?

- Based on Financial Statement scope but expanded to material impacts, risks and opportunities from upstream and downstream value chain.
- Use of estimated data is recommended when information is not available and transitional measure in the 3 first years if information can not be obtained



1: May be integrated in the upstream or downstream

WHAT IS THE DIFFERENCE BETWEEN GRI, TCFD, ISSB?



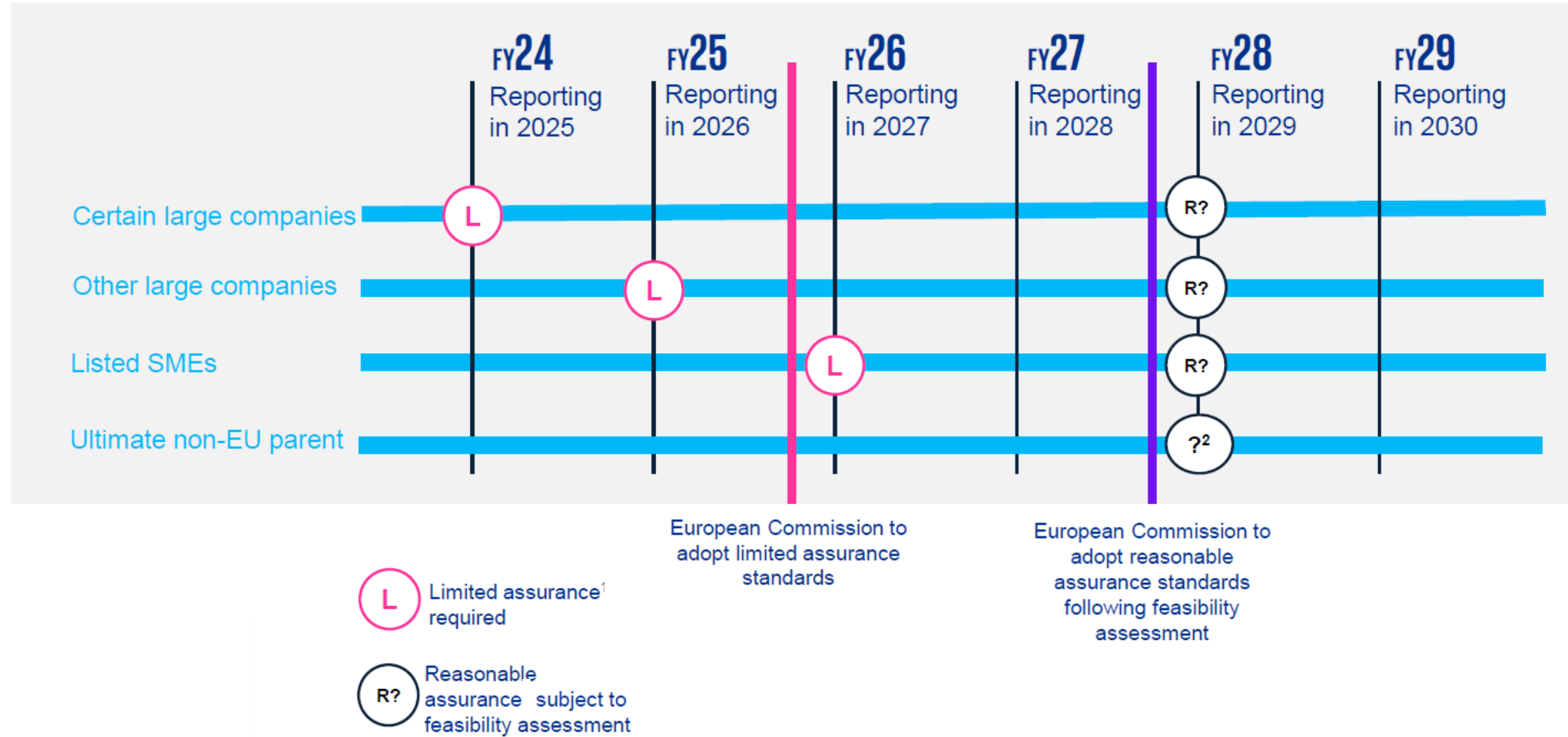
ESRS has a broader scope (not just climate) and double materiality

Joint statement on interoperability
GRI/ESRS and EFRAG is preparing the list of ESRS disclosure requirements and datapoints that correspond to GRI disclosures

Less developed and less requirements: 2 standards, single materiality and different scale of mandatory disclosures

WHAT ABOUT ASSURANCE?

- Not part of ESRS but requirements in CSRD and plans to develop standards later
- Currently, IAASB [consultation](#) on Proposed ISSA 5000: General requirements for sustainability assurance engagements



SHORT-TERM FUTURE GUIDELINES

EFRAG is developing implementation guidelines on:

- datapoints to report**
- double materiality assessment**
- value chain**

They are due in Q3 2023





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