# Digitisation of the European Sustainability Reporting Standard (ESRS)

XBRL EU, Paris, June 13th 2022

EFRAG
European Financial Reporting Advisory Group

European Reporting Lab
@EFRAG

# Project Task-Force achievements – Main steps

- **1st Task-Force 2020/2021** for « Proposals for a relevant and dynamic EU sustainability reporting standard-setting » - report issued on 8 March 2021
- **Proposal by the EU Commission for a new CSRD on 21 April 2021**
- **2nd Task-Force re-launched in June 2021** following invitation letter from Commissioner McGuinness received on 12 May 2021 in order to start elaborating standards in project mode (PTF):
  - 35 members from 13 different Member States
  - Supported by Secretariat members (30 full-time equivalent)
  - Input from Expert Working Groups (appointed in November 2021)
  - Co-construction with GRI, Shift, WICI + dialogue with the IFRS Foundation (TRWG/ISSB) + meeting with the SEC
- **Final PTF –ESRS plenaries in Brussels and approval of the Exposure Drafts** for public consultation on 25/26 April 2022
- **Public consultation 13 Exposure drafts - 29 April 2022**

# EFRAG European Sustainabilty Reporting Standard (ESRS)

**Cross-cutting standards**

- ESRS 1 General principles
- ESRS 2 General strategy, governance and materiality assessment

**Environment**

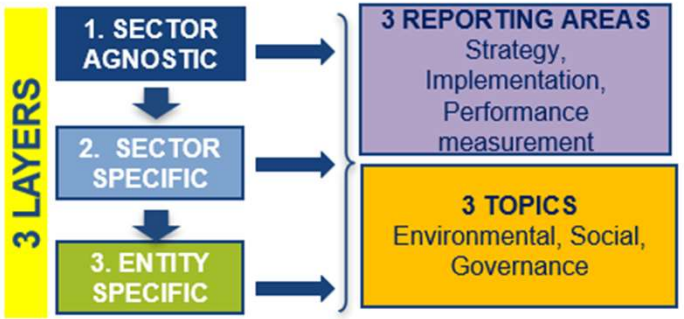
- ESRS E1 Climate change
- ESRS E2 Pollution
- ESRS E3 Water and marine sources
- ESRS E4 Biodiversity and ecosystems
- ESRS E5 Resource and circular economy

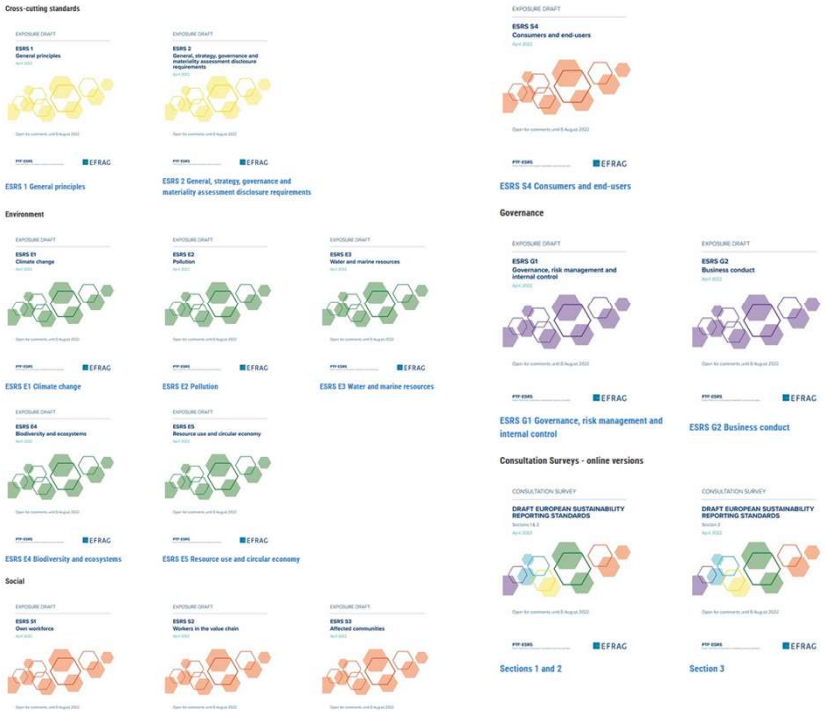
**Social**

- ESRS S1 Own workforce
- ESRS S2 Workers in the value chain
- ESRS S3 Affected communities
- ESRS S4 Consumers and end users

**Governance**

- ESRS G1 Governance, risk management and internal control
- ESRS G2 Business conduct




Public consultation on Exposure Drafts:
https://efrag.org/lab3

# EFRAG European Sustainabilty Reporting Standard (ESRS)

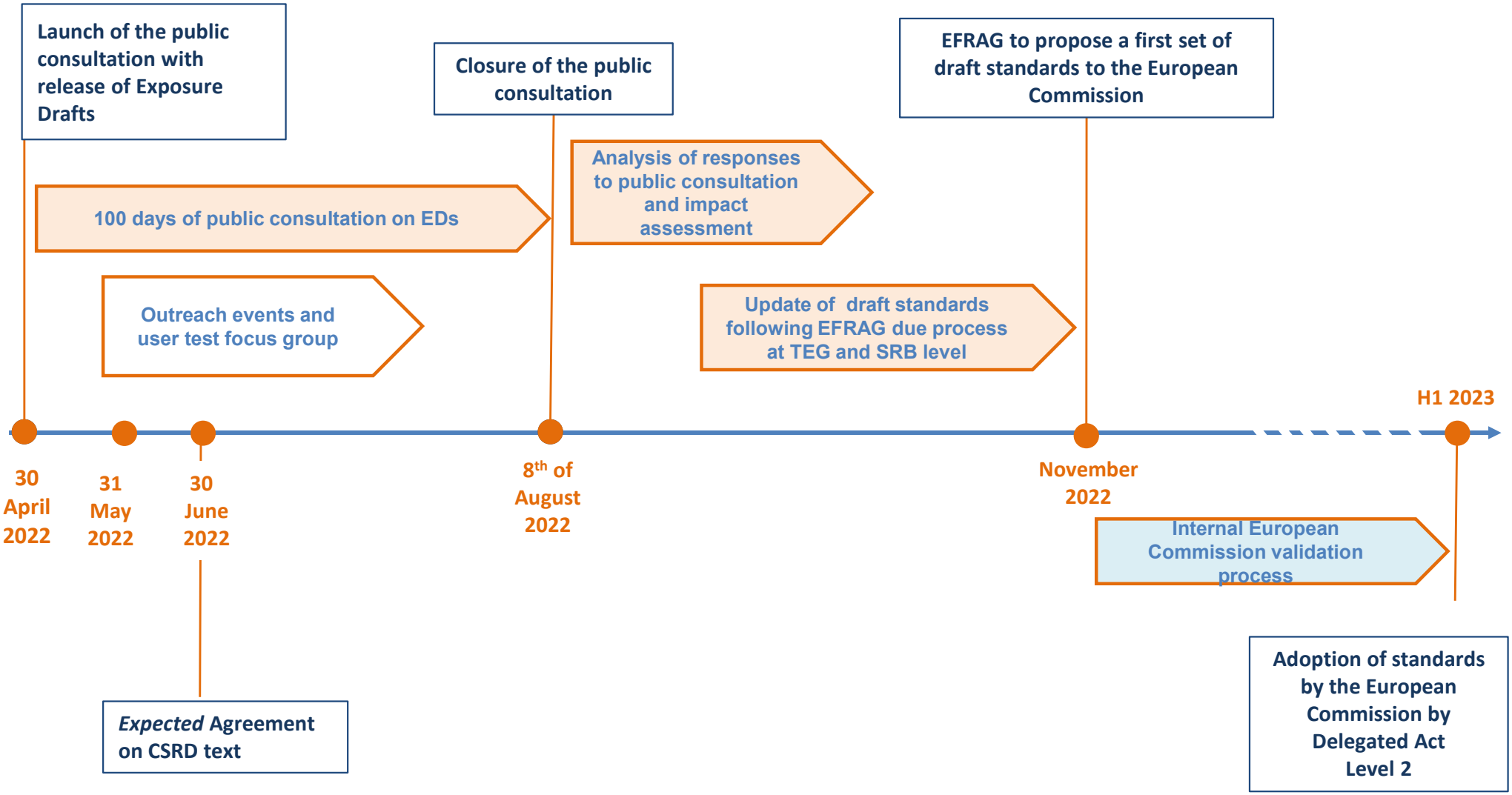
| | Number of Disclosure Requirements | *incl. SFDR- related DRs* | *Covering "n" SFDR KPI* |
|---|---|---|---|
| **ESRS 1** | 0 | 1 | 0 |
| **ESRS 2** | 22 | 4 | 12 |
| **Total General** | **22** | **5** | **12** |
| **ESRS E1** | 17 | 8 | 7 |
| **ESRS E2** | 8 | 1 | 3 |
| **ESRS E3** | 7 | 4 | 3 |
| **ESRS E4** | 10 | 0 | 0 |
| **ESRS E5** | 9 | 1 | 2 |
| **Total Environment** | **51** | **14** | **15** |
| **ESRS S1** | 26 | 6 | 12 |
| **ESRS S2, 3, 4** | 18 | 3 | 5 |
| **Total Social** | **44** | **9** | **17** |
| **ESRS G1** | 10 | 1 | 1 |
| **ESRS G2** | 10 | 2 | 7 |
| **Total Governance** | **20** | **3** | **8** |
| **Total** | **137** | **31** | **52** |

**Breakdown by type of information requested:**

| | |
|---|---|
| **Narrative** | **40%** |
| **Semi-quantitative** | **40%** |
| **Quantitative** | **20%** |

# EFRAG European Sustainabilty Reporting Standard (ESRS)

## A critical step in the process of adopting European Sustainability Reporting Standards

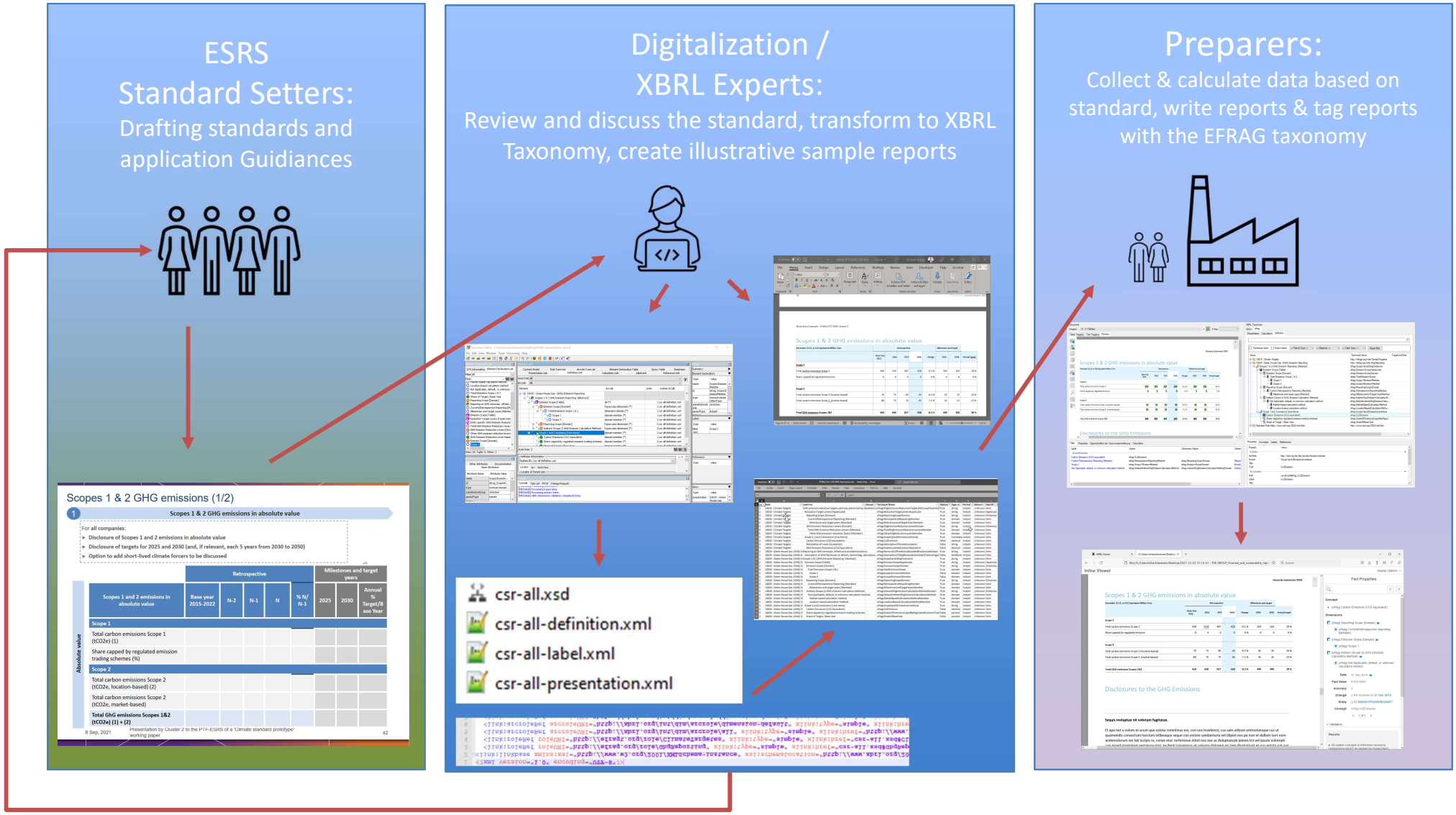


# ESRS Digitalisation Status

- Digitalization experts are **working closely** with the standard setters to review working papers/exposure drafts.
  - This includes filing of **data definition templates** with data points identified in the Disclosure Requirements (DR) and Application Guidance's (AG).
  - A **digitalization readiness-check is performed** on every data point and **feedback is provided** to responsible cluster members, including proposed improvements.
  - **XBRL EU experts support EFRAG** with the above tasks – thank you very much!
  - For Cluster 2 ESRS E1 an **Proof-of-Concept (PoC) XBRL taxonomy** has been created and published for selected Disclosure Requirements, experiences will be used to set up an XBRL program that will deliver the full XBRL taxonomy together with the final standard. Download: https://www.efrag.org/Lab4
  - The **final XBRL taxonomy, that is a digital representation of the ESRS** will be published **soon after** the final ESRS. It can then be used by preparers to digitally tag their disclosures.

# ESRS Digitalization Process Overview

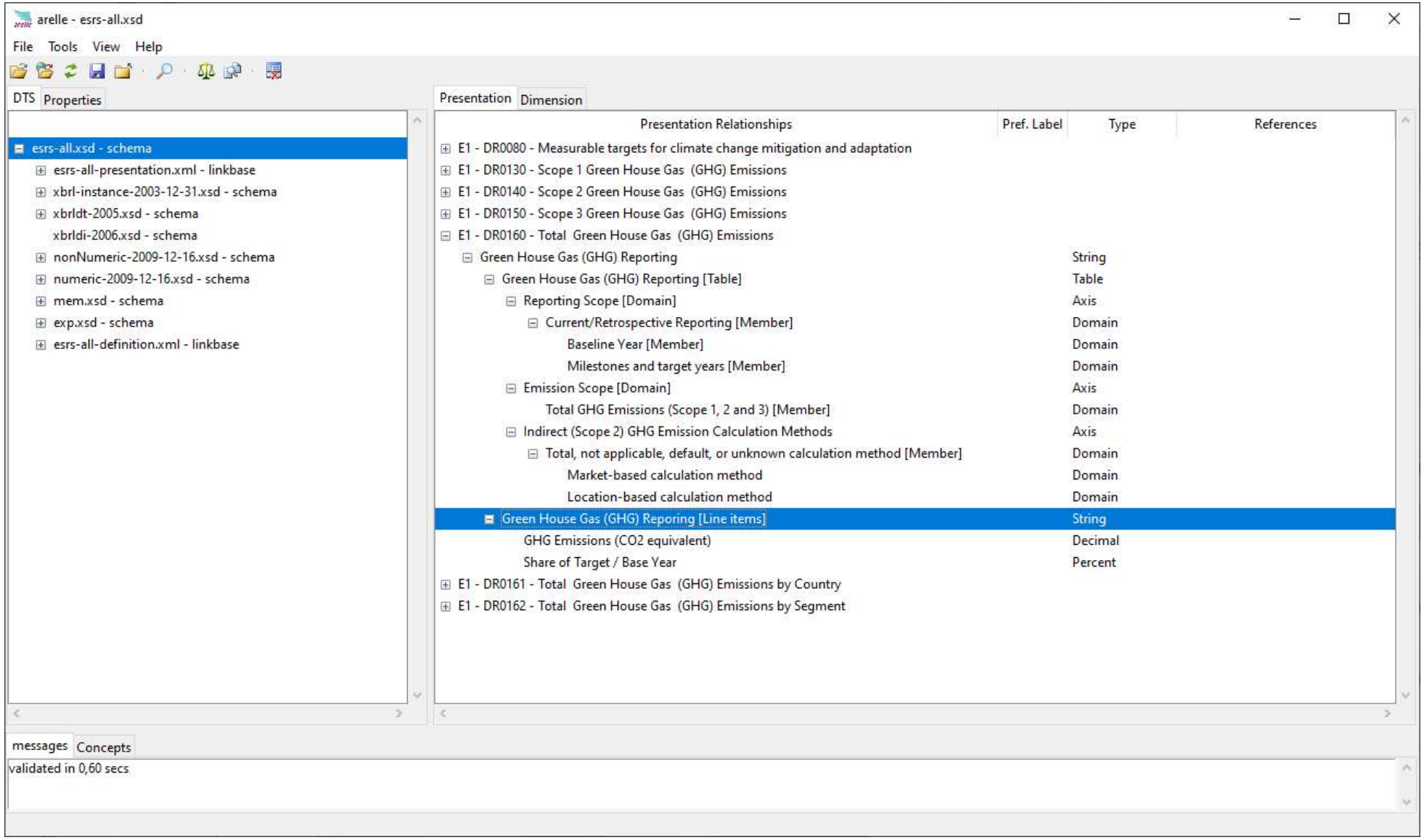
- **An XBRL Taxonomy must be created in order to allow companies to prepare their ESRS reports**




Iterative process, Feedback loop

# The ESRS PoC XBRL Taxonomy is available for download

- **The Proof-of-Concept covers some disclosure requirements from the Environmental standard E1**



# Illustrative digital report in a web browser (narrative tag)

efrag-2021-12-31-en_preview.xh

File | C:/Users/richard.boessen/Desktop/2022-04-09%2022-16-34%20-%20efrag-illustrative-report/reports/efrag-2021-12-31-en_preview.xhtml#f-fact-1

Inline Viewer | Report | Display Options

Financial Statement 2022

## Disclosure on targets for climate change mitigation and adapta

Baseline year

It is intended by The Group to reach the net zero GHG emission target by 2050 aligned with the temperature limitation of 1.5°C, as described in the following paragraphs. The base year is defined to be 2019.

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### Fact Properties

**Concept**

- (esrs) Disclosure on how and when climate targets will be adopted

**Dimensions**

| | |
|---|---|
| **Date** | 31 Dec 2021 |
| **Fact Value** | Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Proin pharetra nonummy [...] |
| **Accuracy** | n/a |
| **Change** | *n/a* |
| **Entity** | [LEI] 254900OPPU84GM83MG36 |
| **Concept** | esrs:DisclosureOnHowAn… |

1 of 1

Validation

No issues

References

Calculations

# Illustrative digital report in a web browser (numerical tag)

efrag-2021-12-31-en_preview.xh

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Inline Viewer | Report | Display Options

## GHG Emissions and Targets

| GHG Emissions reduction targets split by decarbonisation lever in absolute value<br>December 31.12, in 000 tCO2eq | Retrospective<br>Base Year 2025 | 2025 | Current year<br>2026 | Change in % | Milestones and target<br>2030 | 2035 | Annual target (Base Year -> 2050) |
|---|---|---|---|---|---|---|---|
| **Scope 1** | | | | | | | |
| Gross Scope 1 emissions | 500 | 500 | 470 | -6.00% | 350 | 200 | -6.00% |
| Share capped by regulated emission | | 10% | 10% | | | | |
| **Scope 2** | | | | | | | |
| Gross carbon emissions Scope 2 (location-based) | 170 | 170 | 165 | -2.94% | 130 | 100 | -4.12% |
| Gross carbon emissions Scope 2 (market-based) | 160 | 160 | 155 | -3.13% | 120 | 90 | -4.38% |
| **Scope 3** | | | | | | | |
| Upstream purchasing | 260 | 260 | 265 | 1.92% | 240 | 210 | -1.92% |
| Downstream sold products | 220 | 220 | 210 | -4.55% | 180 | 150 | -3.18% |
| Goods transport | 85 | 85 | 80 | -5.88% | 65 | 55 | -3.53% |
| Travels | 25 | 25 | 25 | 0.00% | 20 | 15 | -4.00% |
| Financial investments | 100 | 100 | 90 | -10.00% | 80 | 70 | -3.00% |
| Total Gross indirect (Scope 3) GHG emissions | 690 | 690 | 670 | -2.90% | 585 | 500 | -2.75% |
| **Total GhG emissions** | | | | | | | |
| **Total GHG emissions (location-based)** | **1360** | **1360** | **1305** | -4.04% | 1065 | 800 | -4.12% |
| **Total GHG emissions (market-based) (tCO2eq)** | **1350** | **1350** | **1295** | -4.07% | 1055 | 790 | -4.15% |

## Disclosures to the GHG Emissions

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### Fact Properties

**Concept**

- (esrs) GHG Emissions (CO2 equivalent)

**Dimensions**

(esrs) Scope 3 GHG Emission Categories [Axis]

(esrs) Upstream Purchasing [Member]

| | |
|---|---|
| **Date** | 31 Dec 2026 |
| **Fact Value** | 265.0000 xbrli:pure |
| **Accuracy** | 4 |
| **Change** | 1.9% increase on 31 Dec 2025 |
| **Entity** | [LEI] 254900OPPU84GM... |
| **Concept** | esrs:GhgEmissions |

1 of 1

Validation

No issues

References

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