



 COMPARATIVE TABLE OF TEXTS

ESRS E5

RESOURCE USE AND
CIRCULAR ECONOMY

 DECEMBER 2025

 EFRAG

Comparative Table: ESRS as enacted in 2023, Exposure Draft ESRS, and Draft Amended ESRS – ESRS E5 *Resource Use and Circular Economy*

Disclaimer: The ‘Comparative Table: ESRS as enacted in 2023, Exposure Draft ESRS, and Draft Amended ESRS’ accompanies but is not part of the draft amended ESRS issued by EFRAG on 3 December 2025. It is a non-binding document which complements and should be read in conjunction with the Basis for Conclusions and Log of Amendments, where descriptions and illustrations of the main changes to the Standards can be found. This document 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 illustrates the text of each of the following three versions of ESRS E5: ESRS E5 as enacted in 2023 (Column 1), Exposure Draft ESRS E5 (Column 2) and Draft Amended ESRS E5 (Column 3).
2. This document is purely illustrative and does not offer explanations for changes to ESRS E5. The Basis for Conclusions and the relevant Log of Amendments should be consulted for an explanation of draft amended ESRS E5.
3. By reading each row, the reader can understand how each paragraph of ESRS E5 has changed across the three versions of ESRS listed above. The starting point is Column 1, the text of the ESRS E5 as enacted in 2023.

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| Objective 1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand: | Objective 1. When reporting in accordance with the ESRS, the sustainability statement shall cover information in relation to [Draft] Amended ESRS E5 ' Resource use and circular economy ', when this topic is related 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 the related financial effects . | Objective 1. The sustainability statement shall include information in relation to ESRS E5 <i>Resource Use and Circular Economy</i> if this topic relates to material impacts, risks , and opportunities to cover all the reporting areas listed in paragraph 5 of ESRS 1 <i>General Requirements</i> . If not all the sub-topics prescribed by this Standard are to be reported following the materiality assessment, paragraph 30 of ESRS 1 <i>General Requirements</i> applies. |
| (a) how the undertaking affects resource use, including resource efficiency, avoiding the depletion of resources and the sustainable sourcing and use of renewable resources (referred to in this Standard as "resource use and circular economy") in terms of material positive and negative actual or potential impacts ; | | |
| (b) any actions taken, and the result of such actions, to prevent or mitigate actual or potential negative impacts arising from resource use, including its measures to help decoupling its economic growth from the use of materials, and to address risks and opportunities; | | |
| (c) the plans and capacity of the undertaking to adapt its strategy and business model in line with circular economy principles including but not limited to minimising waste , maintaining the value of products, materials and other resources at their highest value and enhancing their efficient use in production and consumption; | | |

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| (d) the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies, arising from resource use and circular economy, and how the undertaking manages them; and | | |
| (e) 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 resource use and circular economy. | | |
| | 2.The objective of this Standard is to specify Disclosure Requirements ('DRs') in relation to these items of information, that are not covered in ESRS 2. | 2. The objective of this Standard is to set out Disclosure Requirements (DRs) providing information in relations to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 <i>General Requirements</i> and ESRS 2 <i>General Disclosures</i> . |
| | 3. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic. | 3. In this Standard, each DR is introduced by a disclosure objective except for 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 DRs. |
| | | 4.This standard takes account of EU regulatory frameworks, including the EU Circular Economy Action Plan (2020), the Eco-design for Sustainable Products Regulation (Regulation (EU) 2024/1781), the Waste Framework Directive (Directive 2008/98/EC), the Right to Repair Directive (EU) 2024/1799) and the Critical Raw Materials Act (Regulation (EU) 2024/1252). |
| 2. This Standard sets out Disclosure Requirements related to "resource use" and "circular economy" and in particular on: | 4. This Standard sets out DRs related to the sub-topics: | 5.This Standard sets out DRs related to resource use and circular economy with respect to the following sub-topics: resource inflows ; resource outflows related to products and services; resource outflows related to waste . |
| (a) resource inflows including the circularity of material resource inflows, considering renewable and non-renewable resources; and | (a) resource inflows (including mineral and biotic marine resources); | |
| (b) resource outflows including information on products and materials; and | (b) resource outflows : products and services; | |
| (c) waste. | (c) resource outflows: waste . | |

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| | 5. The undertaking shall apply the provisions of ESRS 2, paragraphs 30 to 33 and GDR-P, GDR-A and GDR-T. In particular: | |
| | (a) if the undertaking has not adopted policies, actions and targets with reference to a topic related to material impacts, risks and opportunities, it shall disclose this fact; | |
| | (b) the undertaking shall present the description of its material impacts, risks and opportunities, in accordance with ESRS 2 IRO-2, alongside information about its policies, actions, targets and metrics through which it addresses them, to avoid duplication and support a coherent narrative. | |
| | 6. In this Standard, each DR is introduced by a disclosure objective, with the exception of policies, actions and targets, for which the provisions in GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant disclosures. | |
| 3. Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy . The goal is to maximise and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, remanufacturing, recycling and nutrient cycling. | 7. Circular Economy represents a key pillar in the European Green Deal (2019), which sets ambition for the EU to become a global leader in circular economy practices by 2030. | 6. Circular economy is a key pillar of the European Clean Industrial Deal (2025), which sets the EU's ambition to become a global leader in circular economy practices by 2030. |
| 4. This Standard builds on relevant EU legislative frameworks and policies including the EU Circular | 8. The objective of this standard shall also enable users of the sustainability statement to | |

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| Economy Action Plan, Directive 2008/98/EC of the European Parliament and of the Council (90) (Waste Framework Directive) and the EU industrial strategy. | understand the plans and capacity of the undertaking to adapt its strategy and business model in line with the EU Circular Economy Action Plan (2020), the Eco-design for Sustainable Products Regulation (ESPR) (Regulation (EU) 2024/1781), the Waste Framework Directive (WFD) (Directive 2008/98/EC), and the Right to Repair Directive (R2R) (Directive (EU) 2024/1799). | |
| 5. To evaluate the transition from business as usual, meaning an economy in which finite resources are extracted to make products that are used and then thrown away (“take-make-waste”), to a circular economic system, this Standard relies on the identification of the physical flows of resources, materials and products used and generated by the undertaking through Disclosure Requirement E5-4 Resource inflows and Disclosure Requirement E5-5 Resource outflows | | |
| Interactions with other ESRS | Interactions with other ESRS | Interactions with other ESRS |
| 6. Resource use is a major driver of other environmental impacts such as climate change, pollution , water and marine resources and biodiversity. A circular economy is a system that tends towards sustainable use of resources in extraction, processing, production, consumption and management of waste . Such system brings multiple environmental benefits, in particular, the reduction of material and energy consumption and emissions into the air (greenhouse gas emissions or other pollution), the limitation of water withdrawals and discharges and the regeneration of nature limiting the impact on biodiversity. | | |

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| 7. To provide a comprehensive overview of which other environmental matters could be material to resource use and circular economy, relevant disclosure requirements are covered in other environmental ESRS as follows: | 9. Social and environmental topics closely interact with each other. The main points of interaction between E5 and the different ESRS topical standards are the following: | 7. Environmental and social topics interact with each other. The points of interaction between ESRS E5 <i>Resource Use and Circular Economy</i> and the other topical standards are listed below: |
| (a) ESRS E1 Climate change , which addresses, in particular, GHG emissions and energy resources (energy consumption); | (a) [Draft] Amended ESRS E1 <i>Climate Change (GHG emissions & energy consumption)</i> – E5 related activities (resource extraction, production & transformation) are, by nature, energy- intensive ones and generate high levels of greenhouse gases (GHG) emissions. Collecting energy efficiency in own operations and the upstream and downstream value chain can lead to reduction in carbon footprint. | (a) ESRS E1 <i>Climate Change</i> addresses climate change mitigation, climate change adaptation and energy consumption, whereas ESRS E5 <i>Resource Use and Circular Economy</i> addresses inflows of materials (including fossil fuels not used for energy), resource extraction and circular economy practices that can reduce GHG emissions (carbon footprint) and energy intensity. |
| (b) ESRS E2 Pollution , which addresses, in particular, emissions to water, air and soil as well as substances of concern ; | (b) [Draft] Amended ESRS E2 <i>Pollution</i> (emissions to water , air and soil as well as substances of concern) – E5 related activities can have extensive pollution related effects. For example, industrial waste disposal that may pose significant pollution risks , particularly when it contains substances or is not subject to appropriate treatment. | (b) ESRS E2 <i>Pollution</i> addresses emissions of pollutants to air, water and soil (including microplastics), and substances of concern (SoC) , including substances of very high concern (SVHC) , whereas ESRS E5 <i>Resource Use and Circular Economy</i> addresses resource use and waste management practices that may generate or mitigate such emissions in the value chain . |
| (c) ESRS E3 Water and marine resources , which addresses, in particular, water resource (water consumption) and marine resources; and | (c) [Draft] Amended ESRS E3 <i>Water</i> (use and management of water resources) – E5 related activities require large volumes of water, often operating in water-stressed areas. This puts pressure on local water systems and may exacerbate water scarcity. A circular economy approach can significantly reduce water-related | (c) ESRS E3 <i>Water</i> addresses the use and management of water as a physical resource and the operations of the undertaking in areas with water stress , whereas ESRS E5 <i>Resource Use and Circular Economy</i> addresses marine resources and water-intensive processes through which circular measures can reduce consumption and improve efficiency. |

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| | impacts by improving water use efficiency, implementing closed-loop water systems, and enabling water reuse and recycling . | |
| (d) ESRS E4 Biodiversity and ecosystems , which addresses, in particular, ecosystems, species and raw materials. | (d) [Draft] Amended ESRS E4 Biodiversity and Ecosystems (ecosystems and species) – E5 related activities can cause habitat destruction and ecosystem fragmentation (mainly due to the upstream and downstream value chain-related issues), resulting in biodiversity loss . Transitioning to a circular economy, helps alleviate these pressures by reducing the need for virgin material extraction and ensuring proper waste treatment. | (d) ESRS E4 <i>Biodiversity and Ecosystems</i> addresses biodiversity and ecosystems impacts , whereas ESRS E5 <i>Resource Use and Circular Economy</i> addresses resource use, waste management and circular economy activities that may contribute to or alleviate such impacts. |
| 8. The undertaking’s impacts related to resource use and circular economy, in particular impacts related to waste , can affect people and communities. Material negative impacts on affected communities from resource use and circular economy attributable to the undertaking are covered in ESRS S3 Affected communities . The efficient and circular use of resources also benefits competitiveness and economic wellbeing | | (e) ESRS S3 <i>Affected Communities</i> addresses material impacts on people and communities arising from the undertaking’s activities, including those linked to resource use, products and services, and waste, whereas ESRS E5 <i>Resource Use and Circular Economy</i> addresses these activities from a technical perspective in terms of resource inflows, resource outflows , waste and circular economy practices. |
| 9. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures . | | |
| | (e) ESRS S1 Own operation (working conditions and health and safety) – E5 related activities often involve intensive resource extraction, manufacturing, or waste processing, which can expose workers to hazardous conditions and low-wage labour, especially in lower tiers of the value | |

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| | chain. A circular economy approach can support safer and more sustainable employment by promoting local repair, remanufacturing, and recycling sectors, improving job quality and creating green employment opportunities in more regulated environments. | |
| | (f) ESRS S4 Consumers and end users (information-related impacts on consumers and/or end users) – E5 related activities endorses collaboration with consumers by promoting durable, repairable, and recyclable products, increasing transparency about environmental impacts, and enabling more sustainable consumption patterns through models such as product-as-a-service, reuse, and sharing systems. | (f) ESRS S4 <i>Consumers and End-users</i> addresses information-related impacts on consumers or end-users , their personal safety and their social inclusion, whereas ESRS E5 addresses resource use, waste management and circularity aspects of those same products and services. Disclosures under ESRS E5 <i>Resource Use and Circular Economy</i> on these aspects are relevant for understanding the information-related and inclusion impacts on consumers and end-users that are reported under ESRS S4 <i>Consumers and End-users</i> . |
| | Disclosure Requirements | |
| 10. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ESRS 2 chapter 4 <i>Impact, risk and opportunity management</i> . | | |
| Impact, risk and opportunity management | Impact, risk and opportunity management | |
| 11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: | | |
| (a) whether the undertaking has screened its assets and activities in order to identify its actual and potential <i>impacts, risks</i> and <i>opportunities</i> in its own operations and its upstream and downstream value chain, and if so, the methodologies, assumptions and tools used in the screening; | | |

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| (b) whether and how the undertaking has conducted consultations, in particular, with affected communities. | | |
| Disclosure Requirement E5-1 – Policies related to resource use and circular economy | Disclosure Requirement E5-1 – Policies related to resource use and circular economy | Disclosure Requirement E5-1 – Policies related to resource use and circular economy |
| 12. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to resource use and circular economy. | 10. The undertaking shall disclose its resource use and circular economy policies in accordance with the provisions of [Draft] Amended ESRS 2 GDR-P. | |
| 13. 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 impacts, risks and opportunities related to resource use and circular economy. | | |
| 14. The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to resource use and circular economy in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. | 11. In addition to the information required by [Draft] Amended ESRS 2 GDR-P, if the undertaking integrates circularity and eco-design principles in its key products and services , it shall explain how this is done. | 8. (14 amended) The undertaking shall disclose its resource use and circular economy policies in accordance with the provisions of ESRS 2 GDR-P. |
| | | 9. (35 amended) In addition to the information required under ESRS 2 GDR-P, if the undertaking integrates circular economy principles or eco-design requirements in its key products and circular economy services , it shall explain how this is done. |
| 15. In summary, the undertaking shall indicate whether and how its policies address the following matters where material: | | |
| (a) transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources; | | |
| (b) sustainable sourcing and use of renewable resources. | | |

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| 16. Policies shall address material impacts, risks and opportunities in its own operations and along its upstream and downstream value chain. | | |
| <i>Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy</i> | <i>Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy</i> | <i>Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy</i> |
| 17. The undertaking shall disclose its resource use and circular economy actions and the resources allocated to their implementation. | 12. The undertaking shall disclose its <i>resource use</i> and <i>circular economy actions</i> in accordance with the provisions of [Draft] Amended ESRS 2 GDR-A. | |
| 18. The objective of this Disclosure Requirement is to enable an understanding of the key actions taken and planned to achieve the resource use and circular economy-related policy objectives and targets. | | |
| 19. The description of the resource use and circular economy-related actions and resources allocated shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. | | 10. (19 amended) The undertaking shall disclose its key <i>resource use</i> and <i>circular economy actions</i> in accordance with the provisions of ESRS 2 GDR-A. |
| 20. In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: | | |
| (a) higher levels of resource efficiency in use of technical and biological materials and water, particularly in relation to critical raw materials and rare earths as listed in the Raw Materials Information System; | | |
| (b) higher rates of use of secondary raw materials (recyclates); | | |
| (c) application of circular design, leading to increased product durability and optimisation of use, and higher rates of: Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling. | | |

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| (d) application of circular business practices such as (i) value retention actions (maintenance, repair, refurbishing, remanufacturing, component harvesting, upgrading and reverse logistics, closed loop systems, second-hand retailing), (ii) value maximisation actions (product-service systems, collaborative and sharing economy business models), (iii) end-of-life actions (recycling , upcycling, extended producer responsibility), and (iv) systems efficiency actions (industrial symbiosis); | | |
| (e) actions taken to prevent waste generation in the undertaking's upstream and downstream value chain; and | | |
| (f) optimisation of waste management in line with the waste hierarchy . | | |
| Metrics and Targets | Metrics and Targets | Metrics and Targets |
| Disclosure Requirement E5-3 – Targets related to resource use and circular economy | Disclosure Requirement E5-3 – Targets related to resource use and circular economy | Disclosure Requirement E5-3 – Targets related to resource use and circular economy |
| 21. The undertaking shall disclose the resource use and circular economy-related targets it has set. | 13. The undertaking shall disclose its resource use and circular economy targets in accordance with the provisions of [Draft] Amended ESRS 2 GDR-T. | |
| 22. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has adopted to support its resource use and circular economy policy and to address its material impacts, risks and opportunities. | | |
| 23. The description of the targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets . | | 11. (23 amended) The undertaking shall disclose its resource use and circular economy targets in accordance with the provisions of ESRS 2 GDR-T. |
| 24. The disclosure required by paragraph 21 shall indicate whether and how the undertaking's targets relate to resource inflows and resource outflows, including waste and products and materials, and, more specifically to: | | |

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| (a) the increase of circular product design (including for instance design for durability , dismantling, reparability, recyclability etc); | | |
| (b) the increase of circular material use rate ; | | |
| (c) the minimisation of primary raw material; | | |
| (d) sustainable sourcing and use (in line with the cascading principle) of renewable resources; | | |
| (e) the waste management, including preparation for proper treatment; and | | |
| (f) other matters related to resource use or circular economy. | | |
| 25. The undertaking shall specify to which layer of the waste hierarchy the target relates. | | |
| 26. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets . If so, the undertaking may specify: | | |
| (a) the ecological thresholds identified, and the methodology used to identify such thresholds; | | |
| (b) whether or not the thresholds are entity-specific and if so, how they were determined; and | | |
| (c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking. | | |
| 27. The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary. | | |
| Disclosure Requirement E5-4 – Resource inflows | Disclosure Requirement E5-4 –Resource Inflows | Disclosure Requirement E5-4 –Resource Inflows |
| 28. The undertaking shall disclose information on its resource inflows related to its material impacts, risks and opportunities. | | |
| 29. The objective of this Disclosure Requirement is to enable an understanding of the resource use in | 14. The objective of this DR is to provide an understanding on the resource inflows of the undertaking. This includes information on the | 12. (29 amended) The objective of this DR is to provide an understanding of the undertaking's resource inflows . This includes |

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| the undertaking's own operations and its upstream value chain. | types and quantities of resources entering the organisation, with a focus on their circularity . | information about the types and circularity of resources entering the undertaking. |
| 30. The disclosure required by paragraph 28 shall include a description of its resource inflows where material: products (including packaging) and materials (specifying critical raw materials and rare earths), water and property, plant and equipment used in the undertaking's own operations and along its upstream value chain. | | |
| 31. When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes: | 15. When 'Resource Inflows' is assessed as a material topic , the undertaking shall disclose the following information about the key materials used to manufacture, were put on the market or were part of the delivery of the undertaking's products and services during the reporting period: | 13. (30 and 31 amended) The undertaking shall disclose the following information: |
| | (a) the key materials used to manufacture products, deliver them and/or provide services; | (a) the key materials used, providing for each a concise description and specifying any critical raw materials and strategic raw materials it contains; |
| (a) the overall total weight of products and technical and biological materials used during the reporting period; | (b) the total weight of key materials with a breakdown per key material (in weight or percentage of total weight); | (b) the total weight of all key materials; |
| | | (c) a breakdown of each key material, expressed in weight or as a percentage of the total weight of all key materials; and |
| | (c) the percentage of total weight of critical and strategic raw materials ; | |
| (c) the weight in both absolute value and percentage, of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging). | (d) the percentage of total weight of secondary resourced materials; | (d) the secondary resources used, expressed in weight or as a percentage of the total weight of key materials. |

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| (b) the percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle; and | (e) the percentage of total weight of key biological materials sustainably sourced. | |
| 32. The undertaking shall provide information on the methodologies used to calculate the data. It shall specify whether the data is sourced from direct measurement or estimations, and disclose the key assumptions used. | | |
| Disclosure Requirement E5-5 – Resource outflows | Disclosure Requirement E5-5 – Resource outflows | Disclosure Requirement E5-5 – Resource outflows |
| 33. The undertaking shall disclose information on its resource outflows, including waste, related to its material impacts, risks and opportunities. | | |
| 34. The objective of this Disclosure Requirement is to provide an understanding of: | 16. The objective of this DR is to provide an understanding of how the undertaking implements circular economy by designing, manufacturing and providing goods and services in accordance with circular economy principles , and by effectively managing waste . | 15. (34 amended) The objective of this DR is to provide an understanding of how the undertaking contributes to the circular economy by designing, manufacturing and providing products and services in accordance with circular economy principles , and by effectively managing waste . |
| (a) how the undertaking contributes to the circular economy by i) designing products and materials in line with circular economy principles and ii) increasing or maximising the extent to which products, materials and waste processing are recirculated in practice after first use; and | | |
| (b) the undertaking's waste reduction and waste management strategy, the extent to which the undertaking knows how its pre-consumer waste is managed in its own activities. | | |

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| Products and materials services | Products and services | Products |
| 35. The undertaking shall provide a description of the key products and materials that come out of the undertaking's production process and that are designed along circular principles, including durability , reusability, repairability, disassembly, remanufacturing, refurbishment, recycling , recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models. | | |
| 36. Undertakings for which outflows are material shall disclose: | 17. The undertaking shall disclose: | 15. (36 amended) The undertaking shall disclose: |
| (a) The expected durability of the products placed on the market by the undertaking, in relation to the industry average for each product group; | (a) information on the expected durability of its key products ; | (a) qualitative or quantitative information on the expected durability of its key products ; |
| (b) The reparability of products, using an established rating system, where possible; | (b) information on the scope of reparability of its key products; | (b) qualitative or quantitative information on the extent to which its key products are reparable ; |
| (c) The rates of recyclable content in products and their packaging . | (c) the rate of recyclable materials included in its key products and in their packaging ; | (c) the designed recyclability rate of its key products and their packaging . |
| | (d) the rate of recycled materials used in its key products. | |
| Waste | Waste | Waste |
| 37. The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: | 18. The undertaking shall disclose the following information on waste from its own operations: | 16. (37 and 38 amended) The undertaking shall disclose the following information on waste from its own operations: |
| | (a) a description of the waste streams relevant to its sector or activities; | (a) a description of the undertaking's waste streams ; |
| (a) the total amount of waste generated; | (b) the total weight of waste generated; | (b) the total weight of waste generated; |
| (b) the total amount by weight diverted from disposal, with a breakdown between hazardous | (c) the percentage and/or total weight diverted from disposal, with a breakdown between | (c) the proportion of waste diverted from disposal, expressed as a percentage of total waste generated, with a breakdown between |

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| waste and non-hazardous waste and a breakdown by the following recovery operation types: <ul style="list-style-type: none"> i. Preparations for reuse ii. Recycling other recovery operations. | hazardous waste and non-hazardous waste , and a breakdown by the following recovery operation types: <ul style="list-style-type: none"> i. preparations for reuse; ii. recycling; iii. other recovery operation; | hazardous waste and non-hazardous waste , and a breakdown by the following operation types: <ul style="list-style-type: none"> i. reuse; ii. recycling; iii. other recovery operations; |
| (c) the amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are: <ul style="list-style-type: none"> i. Incineration ii. Landfill other disposal operations | (d) the percentage and/or total weight directed to disposal, with a breakdown between hazardous waste and non-hazardous waste, and a breakdown by the following disposal operation types: <ul style="list-style-type: none"> iv. thermal-based disposal; v. landfill; vi. other disposal operation; | (d) the proportion of waste directed to disposal, expressed as a percentage of total waste generated, with a breakdown between hazardous waste and non-hazardous waste, and a breakdown by the following operation types: <ul style="list-style-type: none"> i. incineration; ii. landfill; iii. other disposal operations; |
| | (e) the percentage and/or total weight for which the final destination is unknown. | (e) (new) the proportion of waste for which the final destination is unknown, expressed as a percentage of total waste generated. |
| (d) the total amount and percentage of non-recycled waste (⁹¹). | | |
| 38. When disclosing the composition of the waste , the undertaking shall specify: | | |
| (a) the waste streams relevant to its sector or activities (e.g. tailings for the undertaking in the mining sector, electronic waste for the undertaking in the consumer electronics sector, or food waste for the undertaking in the agriculture or in the hospitality sector); and; | | |
| (b) the materials that are present in the waste (e.g. biomass, metals, non-metallic minerals, plastics, textiles, critical raw materials and rare earths). | | |
| 39. The undertaking shall also disclose the total amount of hazardous waste and radioactive waste generated by the undertaking, where radioactive | 19. If the undertaking generates radioactive waste, according to the definition of radioactive waste in Article 3(7) of Council Directive | 17. (39 amended) The undertaking shall disclose the total amount of radioactive waste it generates, in accordance with the definition of radioactive waste in Article 3(7) of Council Directive 2011/70/Euratom. |

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| waste is defined in Article 3(7) of Council Directive 2011/70/Euratom (92) . | 2011/70/Euratom, it shall disclose the total amount of it. | |
| 40. The undertaking shall provide contextual information on the methodologies used to calculate the data and in particular the criteria and assumptions used to determine and classify products designed along circular principles under paragraph 35. It shall specify whether the data is sourced from direct measurement or estimations; and disclose the key assumptions used. | | |
| Disclosure Requirement E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities | | |
| 41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts. | | |
| 42. The information required by paragraph 41 is in addition the information on current financial effects on the entity's financial position, financial performance and cash flows for the reporting period required under ESRS 2 SBM-3 para 48 The objective of this Disclosure Requirement is to provide an understanding of: | | |
| (a) anticipated financial effects due to material risks arising from material resource use and circular economy -related impacts and dependencies and how these risks have or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance performance, and cash flows over the short-, medium- and long-term; and | | |
| (b) anticipated financial effects due to material opportunities related to resource use and circular economy. | | |

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| 43. The disclosure shall include: | | |
| (a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information); | | |
| (b) a description of the effects considered the impacts and dependencies to which they relate and the time horizons in which they are likely to materialise; | | |
| (c) the critical assumptions used to quantify the anticipated financial effects , as well as the sources and level of uncertainty of those assumptions. | | |
| Appendix A Application Requirements | | |
| Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | | |
| AR 1. When conducting a materiality assessment on environmental subtopics, the undertaking shall assess the materiality of resource use and circular economy in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach: | | |
| (a) Phase 1: locate where in the undertaking’s own operations and along its upstream and downstream value chain the interface with nature takes place; | | |
| (b) Phase 2: evaluate the dependencies and impacts; | | |

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| (c) Phase 3: assess the material risks and opportunities; | | |
| (d) Phase 4: prepare and report the results of the materiality assessment. | | |
| AR 2. With regard to ESRS E5, phases 1 and 2 rely mainly on the materiality assessments conducted under ESRS E1 (including energy consumption), ESRS E2 (pollution), ESRS E3 (marine resources, water consumption) and ESRS E4 (biodiversity, ecosystems, raw materials). Indeed, circular economy eventually aims at reducing the environmental impact of the use of products, materials and other resources, minimizing waste and the release of hazardous substances and hence at reducing impacts on nature. This application requirement focuses mainly on the third phase of this LEAP approach, while the fourth phase addresses the outcome of the process. | | |
| AR 3. The process to assess the materiality of impacts, dependencies, risks and opportunities shall consider the provisions in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities and IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement. | | |
| AR 4. The sub-topics related to resource use and circular economy covered by the materiality assessment include: | | |
| (a) resource inflows including the circularity of material resource inflows, considering resource use optimisation, intensity of materials and products and renewable and non-renewable resources; | | |
| (b) resource outflows related to products and services; and | | |

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| (c)waste, including hazardous waste and non-hazardous waste management. | | |
| AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may: | | |
| (a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain , including the risk of staying in a business-as-usual scenario : iv. reputation, e.g. changing societal, customer or community perceptions. | | |
| (b) identify physical risks including depletion of stock and use of virgin and non-virgin renewable resources, and of non-renewable resources; | | |
| (c) identify opportunities by: i. digitization utilisation ii. markets: e.g., demand for less resource-intense products and services, and new consumption models such as product-as- a-service, pay-per-use, sharing, leasing; iii. financing: e.g., access to green funds, bonds or loans; iv. resilience: e.g., diversification of resources and business activities (e.g., start a new business unit to recycle new materials), investing in green infrastructures, adopting recycling and circularity mechanisms that reduce the dependencies , capability of the undertaking to safeguard future stocks and flows of resources; and v. reputation. | | |
| AR 6. The undertaking may consider the following methodologies to assess its impacts, risks and opportunities in its own operations and along its upstream and downstream value chain : | | |

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| (a) Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organizations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint); and | | |
| (b) Material Flow Analysis (MFA) from the European Environment Agency. | | |
| AR 7. When providing information on the outcome of the materiality assessment, the undertaking shall consider: | | |
| (a) a list of business units associated to resource use and circular economy material impacts, risks and opportunities in the context of the products and services of the undertaking and the waste it generates; | | |
| (b) a list and prioritisation of the material resources used by the undertaking; | | |
| c) the material impacts and risks of staying in business as usual; | | |
| (d) the material opportunities related to a circular economy; | | |
| (e) the material impacts and risks of a transition to a circular economy; and | | |
| (f) the stages of the value chain where resource use, risks and negative impacts are concentrated. | | |
| Disclosure Requirement E5-1 – Policies related to resource use and circular economy | | |
| AR 8. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics. | | |

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| <p>AR 9. When providing information on its policies, the undertaking shall consider whether and how its policies address:</p> <p>(a) the waste hierarchy : (a) prevention; (b) preparing for re-use; (c) recycling ; (d) other recovery , e.g., energy recovery; and (e) disposal. In this context, the waste treatment cannot be considered as a recovery;</p> <p>(b) the prioritisation of the avoidance or minimisation waste (Re-use, Repair, Refurbish, Remanufacture and Repurpose) over waste treatment (Recycling). The concepts of eco-design (93) , waste as a resource or post-consumer waste (at the end of a consumer - product lifecycle), should also be taken into consideration.</p> | | |
| <p>AR 10. When defining its policies, the undertaking may consider the Paper on “Categorisation system for the circular economy”, which describes circular design and production models, circular use models, circular value recovery models and circular support along the principles of the nine circular economy “R” strategies or principles: refuse, rethink, reduce, re-use, repair, refurbish, remanufacture, repurpose and recycle.</p> | | |
| <p>Disclosure Requirement E5-2 – Actions and resources in relation to resource use and circular economy</p> | | |
| <p>AR 11. When providing information under paragraph 17 and considering that resources are shared and that circular economy strategies may require collective actions, the undertaking may specify the actions taken to engage with its</p> | | |

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| upstream and downstream value chain and/or its local network on the development of collaborations or initiatives increasing the circularity of products and materials. | | |
| AR 12. In particular, the undertaking may specify the following: | | |
| (a) how it contributes to circular economy, including for instance smart waste collection systems; | | |
| (b) the other stakeholders involved in the collective actions : competitors, suppliers , retailers, customers, other business partners, local communities and authorities, government agencies; | | |
| (c) a description of the organisation of the collaboration or initiative, including the specific contribution of the undertaking and the roles of the different stakeholders in the project. | | |
| AR 13. The actions may cover the undertaking’s own operations and/or its upstream and downstream value chain. | | |
| Disclosure Requirement E5-3 – Targets related to resource use and circular economy | | |
| AR 14. If the undertaking refers to ecological thresholds to set targets , it may refer to the guidance provided by the Science-Based Targets Initiative for Nature (SBTN) in its interim guidance (Initial Guidance for Business, September 2020) or any other guidance with a scientifically acknowledged methodology that allows to set science-based targets by identifying ecological thresholds and, if applicable, organisation-specific allocations. Ecological thresholds can be local, national and/or global. | | |
| AR 15. When providing information on targets, the undertaking shall prioritise targets in absolute value. | | |

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| AR 16. When providing information targets according to paragraph 24, the undertaking shall consider the production phase, the use phase, and the end of functional life of products and materials. | | |
| AR 17. When providing information on targets related to virgin renewable raw material under paragraph 24(c), the undertaking shall consider how those targets may impact biodiversity loss , also in light of ESRS E4. | | |
| AR 18. The undertaking may disclose other targets under paragraph 24(f) including in relation to sustainable sourcing. If so, the undertaking shall explain the definition of sustainable sourcing it has adopted and how it relates to the objective set out in paragraph 22. | | |
| AR 19. The targets may cover the undertaking's own operations and/or its upstream and downstream value chain. | | |
| AR 20. The undertaking may specify whether the target addresses shortcomings related to the Substantial Contribution criteria for Circular Economy as defined in the delegated acts adopted pursuant to Article 13(2) of Regulation (EU) 2020/852. Where the Do No Significant Harm (DNSH) criteria for Circular Economy as defined in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852 are not met, the undertaking may specify whether the target addresses shortcomings related those DNSH criteria. | | |
| Disclosure Requirement E5-4 – Resource Inflows | Disclosure Requirement E5-4 – Resource Inflows | |
| AR 21. Resource inflows may cover the following categories: IT equipment, textiles, furniture, buildings, heavy machinery, mid-weight machinery, light machinery, heavy transport, mid-weight | | |

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| transport, light transport and warehousing equipment. With regard to materials, resource inflow indicators include raw materials, associated process materials , and semi-manufactured goods or parts. | | |
| AR 22. When the undertaking is subject to paragraph 31, it may also provide transparency on the materials that are sourced from by-products / waste stream (e.g., offcuts of a material that has not previously been in a product). | | |
| AR 23. The denominator of the percentage indicator required under paragraphs 31(b) and 31(c) is the overall total weight of materials used during the reporting period. | <p>AR 1 for para. 15(c)–(e) (Resource inflows) The denominator of the percentage indicator required under paragraph 15(c) and 15(d) is the overall total weight of the key materials used during the reporting period.</p> <p>The denominator of the percentage indicator required in paragraph 15(e) is the total weight of key biological materials.</p> | |
| | <p>AR 2 for para. 15(a) (Resource inflows) When identifying the key materials in paragraph 15(a), if the characteristic of being a technical or a biological material is a driver of impacts, risks or opportunities, the undertaking shall designate the material in such a way as to identify this characteristic, e.g. an undertaking can refer to ‘synthetic fibres’ and ‘natural fibres’ instead of just ‘fibres’.</p> | |
| | | AR1 for para. 13(a) When reporting paragraph 13(a): |
| | | (a) the undertaking shall provide a concise description of each key material, reflecting its role and relevance in the context of the undertaking’s operations. |
| | | (b) if the distinction between technical material and biological material is a driver of impacts, risks or opportunities , the undertaking shall describe it accordingly. |

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| | | <p>AR 2 for para. 13(a) <i>Critical raw materials</i> and <i>strategic raw materials</i>, as identified in Annex I and Annex II, of the Critical Raw Materials Act (Regulation (EU) 2024/1252), may be part of the undertaking's key materials. Where this is the case, the undertaking shall specify so.</p> <p>For example, an undertaking may identify a battery as a key material for its operations and specify that it contains lithium, which is classified as a critical and strategic raw material.</p> |
| AR 24. The reported usage data are to reflect the material in its original state, and not to be presented with further data manipulation, such as reporting it as “dry weight”. | | |
| AR 25. In cases where there is an overlap between categories of reused, recycled, the undertaking shall specify how double counting was avoided and the choices that were made. | | |
| AR 26. Products and materials information to be provided under paragraph 35 refers to all materials and products that come out of the undertaking's production process and that a company puts on the market (including packaging). | AR 3 for para. 17 (c)) (Products and services) When disclosing paragraph 17(c), packaging is to be disclosed separately. | |
| | AR 4 for para. 18 and 19 (Waste) Waste weight is expressed in tons or kilograms. | |
| | | <p>AR 3 for para. 15(c) When disclosing information in accordance with paragraph 15(c), the undertaking shall use the following equation:</p> <p>(a) for products:</p> $\text{Designed recyclability rate} = \frac{\text{total weight of recyclable materials incorporated in the product}_x}{\text{total weight of the product}_x} \times 100$ <p>(b) for packaging:</p> |

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| | | $\frac{\text{Designed recyclability rate}}{\text{total weight of recyclable materials incorporated in the packaging}_x} \times 100$ |
| AR 27. When compiling the rate, the undertaking shall use as denominator the overall total weight of materials used during the reporting period. | | |
| AR 28. The undertaking may disclose its engagement in product end-of-life waste management, for example through extended producer responsibility schemes or take-back schemes. | | |
| AR 29. Type of waste is to be understood as hazardous waste or non-hazardous waste. Some specific waste, such as radioactive waste, may also be presented as a separate type. | | |
| AR 30. When considering the waste streams relevant to its sectors or activities, the undertaking may consider the list of waste descriptions from the European Waste Catalogue. | AR 5 for para. 18 (Waste) When describing its waste streams , it is sufficient to provide a name and an indication of the key materials that are included in the waste stream. An illustrative example - for a wood furniture producer a waste stream could be 'wood waste' composed of offcuts, sawdust and defective wooden components of the key material 'wood'. | AR 4 for para. 16(a) (Waste) When reporting in accordance with paragraph 16(a) on waste streams , it is sufficient to provide a name (for example, in accordance with the European List of Waste by Commission Decision 2000/532/EC) and an indication of the key materials that are included in the waste stream, such as biomass, metals, non-metallic minerals, plastics, textiles, critical raw materials , rare earths, etc. |
| | | AR 5 for para. 16(b)-(d) and 17 (waste) When reporting in accordance with paragraphs 16(b)-(d) and 17, the data shall reflect the material's weight in its original state and shall not be presented with further data manipulation, such as reporting it as 'dry' or 'wet' weight. |
| AR 31. Examples of other types of recovery operations under paragraph 37(b)iii may be found in Annex II of Directive 2008/98/EC (Waste Framework Directive). | | AR 6 for para. 16(c)(iii) A list of recovery operations is found in Annex II, Directive 2008/98/EC on waste (Waste Framework Directive). 'Other recovery operations' should meet the definitions and requirements in the WFD. When reporting Waste in accordance with paragraph 16(c)(iii), the undertaking shall specify, if relevant, what these 'other recovery operations' are. |

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| | | Incineration with energy recovery is considered an ‘other recovery operation’ only when it meets the conditions of point R1 in Annex II ‘Recovery operations’ of the WFD. |
| AR 32. Examples of other types of disposal operations under paragraph 37(c)iii may be found in Annex I of Directive 2008/98/EC (Waste Framework Directive). | | AR 7 for para. 16(d)(iii) A list of disposal operations is found in Annex I, Directive 2008/98/EC on waste (Waste Framework Directive). |
| AR 33. When providing contextual information under paragraph 40 the undertaking may: | | |
| (a) explain the reasons for high weights of waste directed to disposal (e.g., local regulations that prohibit landfill of specific types of waste); | | |
| (b) describe sector practices, sector standards, or external regulations that mandate a specific disposal operation; and | | |
| (c) specify whether the data has been modelled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors. | | |
| Disclosure Requirement E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities | | |
| AR 34. When providing information under paragraph 42(b), the undertaking may illustrate and describe how it intends to strengthen value retention. | | |
| AR 35. The undertaking may include an assessment of its related products and services at risk over the short-, medium- and long-term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made. | | |
| AR 36. The quantification of the anticipated financial effects in monetary terms under paragraph 43(a) may be a range. | | |



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