



LOG OF AMENDMENTS

# ESRS E1

CLIMATE CHANGE



JULY 2025



EFrag

## Log of Amendments by Standard - ESRS E1 *Climate change*

### Annex to the Basis for Conclusions – Illustration of the Amendments

**Disclaimer:** The Log of Amendments by Standard accompanies but is not part of the ESRS Amendments Exposure Drafts. It complements and should be read in conjunction with Chapter 7 of the Basis for Conclusions (BFC), where a summarised description of the main changes to individual Standards can be found. It 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 complements and should be read in conjunction with Chapter 7 of the Basis for Conclusions (BFC) where a summarised description of the main changes to individual Standards can be found.**
2. This document illustrates the Amendments at paragraph level in Amended ESRS E1 *Climate change*.
3. The starting point is the text of the 2023 Delegated Act, with each paragraph listed and numbered in Column 1.
4. A markup of amendments is provided in Column 2 including text added or removed. Text added has been underlined in Column 2. Text deleted is marked as strikethrough (~~strikethrough~~) in Column 2. Where text is unchanged this is also included (no change to text) including where there is no change to the DR.
5. The last column includes an explanation of changes made to the DR (or Chapter for ESRS E1) using the following terminology: Amended, Unchanged, Merged, New or Deleted and moved to NMIG (where text has been deleted from mandatory content but it is presented as illustration in NMIG).
6. The last column also includes additional explanations and rationale for changes useful to gain an understanding of why text or DRs have been amended.

**Note:** In accordance with the recommendation of the European Commission (EC) representatives, EFRAG did not clarify the meaning of ‘compatibility with 1.5 degrees’ for the Transition Plans disclosure (ESRS E1), pending developments of level 1 regulation, despite this being an area of frequent implementation questions.

Objective		Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>	
	1. When reporting in accordance with the ESRS, the <b><u>sustainability statement</u></b> shall cover information in relation to [Draft] Amended ESRS E1 <i>Climate change</i> , when this <b><u>topic</u></b> relates to <b><u>material impacts, risks</u></b> and <b><u>opportunities</u></b> . The disclosure on the material impacts, risks and opportunities is expected to cover <b><u>policies, actions</u></b> and <b><u>targets</u></b> (if in place), <b><u>dependencies</u></b> when relevant, <b><u>metrics</u></b> and <b><u>financial effects</u></b> .	<b>NEW</b> Added to clarify the reporting areas that the undertaking is expected to cover when a topic is material.
1. The objective of this Standard is to specify Disclosure Requirements which will enable users of sustainability statements to understand:	<del>1. The objective of this Standard is to specify Disclosure Requirements which will enable users of sustainability statements to understand:</del> 2. The objective of this Standard is to specify Disclosure Requirements ('DRs') in relation to the items of information mentioned in paragraph 1, that are not covered in [Draft] Amended ESRS 2.	<b>Amended</b> Specification introduced across topical standards to highlight interaction with ESRS 2, <u>considering that content in topical standards for former ESRS specifications (GOV/SBM/IRO), PAT and financial effects has been deleted or significantly reduced. Provisions in ESRS also require disclosure at topical level, in addition to information disclosed in accordance with the topical standards.</u>
(a) how the undertaking affects climate change, in terms of material positive and negative actual and potential impacts;	<del>(a) how the undertaking affects climate change, in terms of material positive and negative actual and potential impacts;</del>	<b>Moved</b> Moved to [1]  Merged into paragraph 1 for conciseness.
(b) the undertaking's past, current, and future mitigation efforts in line with the Paris Agreement (or an updated international agreement on climate change) and compatible with limiting global warming to 1.5°C;	<del>(b) the undertaking's past, current, and future mitigation efforts in line with the Paris Agreement (or an updated international agreement on climate change) and compatible with limiting global warming to 1.5°C;</del>	<b>Moved</b> Moved to [1]  Merged with 1. (c) moved to E1-1 para 13
(c) the plans and capacity of the undertaking to adapt its strategy and business model, in line with the transition to a sustainable economy and to contribute to limiting global warming to 1.5°C.	<del>(c) the plans and capacity of the undertaking to adapt its strategy and business model, in line with the transition to a sustainable economy and to contribute to limiting global warming to 1.5°C.</del>	<b>Moved</b> Moved to [1]  Merged with 1. (b) moved to E1-1 para 13
(d) any other actions taken by the undertaking, and the result of such actions to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;	<del>(d) any other actions taken by the undertaking, and the result of such actions to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities;</del>	<b>Deleted</b> Moved to [1]  For conciseness.

(e) the nature, type and extent of the undertaking's material risks and opportunities arising from the undertaking's impacts and dependencies on climate change, and how the undertaking manages them; and	<del>(e) the nature, type and extent of the undertaking's material risks and opportunities arising from the undertaking's impacts and dependencies on climate change, and how the undertaking manages them; and</del>	<b>Deleted</b> Moved to [1]  Merged into paragraph 1 for conciseness.
(f) the financial effects on the undertaking over the short-, medium- and long-term of risks and opportunities arising from the undertaking's impacts and dependencies on climate change.	<del>(f) the financial effects on the undertaking over the short-, medium- and long-term of risks and opportunities arising from the undertaking's impacts and dependencies on climate change.</del>	<b>Deleted</b> Merged into paragraph 1 for conciseness.
2. The Disclosure Requirements of this Standard consider the requirements of related EU legislation and regulation (i.e., EU Climate Law, Climate Benchmark Standards Regulation, Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy, and EBA Pillar 3 disclosure requirements.	<del>2. 11. The Disclosure Requirements</del> DRs of this Standard consider the requirements of related EU legislation and regulation. <u>These include (i.e., EU Climate Law, Climate Benchmark Standards Regulation, Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy, and EBA Pillar 3 DRs.</u>	<b>Unchanged</b>  Moved to the end of the Objectives, now is paragraph 11.
	<u>3. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.</u>	<b>New</b> <u>This is to provide flexibility and support more concise and relevant information, by disclosing at the right level of granularity and avoid over-reporting when only a sub-topic is material.</u> Specification introduced across topical standards to highlight the approach to disclose information on material topics in accordance with ESRS 1 and 2.
3. This Standard covers Disclosure Requirements related to the following sustainability matters: "Climate change mitigation" and "Climate change adaptation". It also covers energy-related matters, to the extent that they are relevant to climate change.	<del>4. This Standard covers Disclosure Requirements related to the following sustainability matters sets out DRs related to climate change and in particular, with respect to the following sub-topics: <b>climate change mitigation, and climate change adaptation and energy.</b> It also covers energy-related matters, to the extent that they are relevant to climate change.</del>	<b>Amended</b> Streamline for simplification purposes.
4. Climate change mitigation relates to the undertaking's endeavours to the general process of limiting the increase in the global average temperature to 1,5 °C above pre-industrial levels in line with the Paris Agreement. This Standard covers disclosure requirements related but not limited to the seven	<del>5. 4. <b>Climate change mitigation</b> relates to the undertaking's endeavours to the general process of limiting the increase in the global average temperature to 1.5°C above pre-industrial levels in line with the Paris Agreement and the objectives of the European Climate Law (Regulation (EU) 2021/1119).</del> This Standard covers <del>disclosure requirements</del> DRs related but not limited to the seven	<b>Amended</b> Reference to European Climate Law added for improving alignment with regulations

Greenhouse gases (GHG) carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF <sub>6</sub> ) and nitrogen trifluoride (NF <sub>3</sub> ). It also covers Disclosure Requirements on how the undertaking addresses its GHG emissions as well as the associated transition risks.	<b>Greenhouse gases ('GHGs')</b> : carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF <sub>6</sub> ) and nitrogen trifluoride (NF <sub>3</sub> ). It also covers <del>Disclosure Requirements</del> <u>DRs</u> on how the undertaking addresses its <b>GHG emissions</b> as well as the associated <b>transition risks</b> .	
5. Climate change adaptation relates to the undertaking's process of adjustment to actual and expected climate change.	<del>6.</del> <b>5. Climate change adaptation</b> relates to the undertaking's process of adjustment to actual and expected climate change.	Unchanged
6. This Standard covers Disclosure Requirements regarding climate-related hazards that can lead to physical climate risks for the undertaking and its adaptation solutions to reduce these risks. It also covers transition risks arising from the needed adaptation to climate-related hazards.	<del>7.</del> <del>6.</del> This Standard covers <del>Disclosure Requirements</del> <u>DRs</u> regarding climate-related hazards that can lead to physical climate <b>risks</b> for the undertaking and its adaptation solutions to reduce these risks. It also covers <b>transition risks</b> arising from the needed adaptation to climate-related hazards.	Unchanged
7. The Disclosure Requirements related to "Energy" cover all types of energy production and consumption.	<del>8.</del> <del>7.</del> The <del>Disclosure Requirements</del> <u>DRs</u> related to 'energy' cover all types of energy production and consumption.	Unchanged
	<p>9. The undertaking shall apply the provisions of [Draft] Amended ESRS 2 paragraphs from 29 to 32 and GDR-P, GDR-A, GDR-T and GDR-M. In particular:</p> <p>(a) If the undertaking has not adopted <b>policies, actions</b> and <b>targets</b> with reference to a <b>topic</b> related to material <b>impacts, risks and opportunities</b>, it shall disclose this fact;</p> <p>(b) the undertaking may present the description of its material <b>impacts, risks and opportunities</b>, in accordance with [Draft] Amended ESRS 2 IRO-2, alongside information about its <b>policies, actions, targets</b> and <b>metrics</b> through which it addresses them, to avoid duplication and support a coherent narrative.</p>	<p><b>New</b></p> <p>Specification introduced across topical standards to highlight interaction with ESRS 2. <u>This is a consequence of deleting PAT provisions in topical standards, as well as promoting more concise and less repetitive reporting.</u></p>
	10. In this Standard, each DRs is introduced by a disclosure objective, with the exception of <b>policies, actions</b> and <b>targets</b> , for	<p><b>New</b></p> <p>Specification introduced across topical standards to highlight interaction with ESRS 2.</p>

	which the provisions in GDR-P, GDR-A and GDR-T provides the necessary framing for the relevant DRs <u>disclosures</u> .	
<b>Interactions with other ESRS</b>	<b>Interactions with other ESRS</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
	<u>12. Social and environmental <b>topics</b> closely interact with each other. The main points of interaction between [Draft] Amended ESRS E1 and the different ESRS topical standards:</u>	<b>New</b>  Included reference to 'social topic's as former paragraph 6 falls under that category.
8. Ozone-depleting substances (ODS), nitrogen oxides (NOX) and sulphur oxides (SOX), among other air emissions, are connected to climate change but are covered under the reporting requirements in ESRS E2.	<u>8- (a) This Standard covers, but is not limited to, the seven GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). [Draft] Amended ESRS E2 addresses Ozone-depleting substances (ODS), nitrogen oxides (NO<sub>x</sub>) and sulphur oxides (SO<sub>x</sub>), among other air emissions, that are connected to climate change but are covered under the reporting requirements in [Draft] Amended ESRS E2.</u>	<b>Amended</b> Reference to types of GHG emissions were added to help better contextualise the scope of each Standard- GHG emissions in ESRS E1 and air emissions in E2.
9. Impacts on people that may arise from the transition to a climate-neutral economy are covered under the ESRS S1 Own workforce, ESRS S2 Workers in the value chain, ESRS S3 Affected communities and ESRS S4 Consumers and end-users.	<u>9- (c) <b>Impacts</b> on people that may arise from the transition to a climate-neutral economy are covered under [Draft] Amended [Draft] Amended ESRS S1 <i>Own workforce</i>, [Draft] Amended ESRS S2 <i>Workers in the value chain</i>, [Draft] Amended ESRS S3 <i>Affected communities</i> and [Draft] Amended ESRS S4 <i>Consumers and end-users</i>.</u>	<b>Unchanged</b> Maintained since it explains the interactions in terms of impacts on people.
10. Climate change mitigation and adaptation are closely related to topics addressed in particular in ESRS E3 Water and marine resources and ESRS E4 Biodiversity and ecosystems. With regard to water and as illustrated in the table of climate- related hazards in AR 11, this standard addresses acute and chronic physical risks which arise from the water and ocean-related hazards. Biodiversity loss and ecosystem degradation that may be caused by climate change are addressed in ESRS E4 Biodiversity and ecosystems.	<u><del>10. (b) <i>Climate change mitigation</i> and <i>adaptation</i> are closely related to <b>topics</b> addressed in particular in [Draft] Amended ESRS E3 <i>Water and marine resources</i> and [Draft] Amended ESRS E4 <i>Biodiversity and ecosystems</i>. With regard to water and as illustrated in the table of climate- related hazards in AR 11, This Standard addresses, among others, acute and chronic physical risks which arise from the water and ocean-related hazards. This Standard also addresses <b>GHG emissions</b> from the use of resource, land-use and <b>land-use change</b> as well as removals of GHG from the atmosphere, for example, through <b>nature-based solutions</b> which may entail co-benefits for the water, biodiversity and ecosystems. <b>Biodiversity loss</b> and ecosystem degradation</del></u>	<b>Amended</b> Name of the E3 Standard has been updated.  Table in AR11 has been deleted from mandatory content and moved to NMIG and the first half of the second sentence seemed less necessary for explaining the interaction with water hazards.  Additional sentence of GHG emissions from land-use change and nature-based solutions has been added. This was omitted in the original text but was an

	<del>that may be caused or accelerated</del> by climate change are addressed in <u>[Draft] Amended ESRS E4 Biodiversity and ecosystems</u> .	important dimension for illustrating interactions with other Standards.
11. This Standard should be read and applied in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.	<del>11. This Standard should be read and applied in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.</del>	<b>Deleted</b> Already covered in ESRS 1 1.1 <i>ESRS standards, reporting areas and entity-specific disclosures</i> . Similar text can also be found in paragraph 2 and paragraph 9.
12. As per ESRS 2 MDR-PAT the undertaking shall disclose its policies (as well as related actions and targets) together with a description of the material climate-related impacts, risks, and opportunities they are intended to address. Where such descriptions are provided elsewhere in the sustainability statement — for example, in the overview required by ESRS 2 SBM-3 — the undertaking may cross-reference that section to avoid duplication.	<del>9. As per ESRS 2 SDR-PAT the undertaking shall disclose its policies (as well as related actions and targets) together with a description of the material climate-related impacts, risks, and opportunities they are intended to address. Where such descriptions are provided elsewhere in the sustainability statement — for example, in the overview required by ESRS 2 SBM-3 — the undertaking may cross-reference that section to avoid duplication.</del>	<b>Moved</b> Moved to [9]  Streamline purposes.
<b>Disclosure Requirements – ESRS 2 General Disclosures</b>		
<b>Governance</b>		
<b>GOV-3 - Integration of sustainability-related performance in incentive schemes</b>	<b>GOV-3 - Integration of sustainability-related performance in incentive schemes</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
13. The undertaking shall disclose whether and how climate-related considerations are factored into the remuneration of members of the <b>administrative, management and supervisory bodies</b> , including if their performance has been assessed against the <b>GHG emission reduction targets</b> reported under Disclosure Requirement E1-4 and the percentage of the remuneration recognised in the current period that is linked to climate related considerations, with an explanation of what the climate considerations are.	<del>13. The undertaking shall disclose whether and how climate-related considerations are factored into the remuneration of members of the <b>administrative, management and supervisory bodies</b>, including if their performance has been assessed against the <b>GHG emission reduction targets</b> reported under Disclosure Requirement E1-4 and the percentage of the remuneration recognised in the current period that is linked to climate related considerations, with an explanation of what the climate considerations are.</del>	<b>Moved</b> Moved to ESRS 2 in line with the approach on general disclosures.

Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>	
14. The undertaking shall disclose its transition plan for climate change mitigation.	<del>14. The undertaking shall disclose its transition plan for climate change mitigation.</del>	<b>Deleted</b>  The statement was deemed redundant given new paragraph 14. Information gathering from stakeholders also indicated that it was unclear whether it was the actual transition plan (TP) that needed to be provided or specific information about it. This has been clarified with amended wording in paragraph 14.
15. The objective of this Disclosure Requirement is to enable an understanding of the undertaking's past, current, and future mitigation efforts to ensure that its strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5 °C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050 and, where relevant, the undertaking's exposure to coal, oil and gas-related activities.	<del>15. 13 The objective of this Disclosure Requirement DR is to enable an understanding of the undertaking's past, current, and future mitigation efforts to ensure that its strategy and <b>business model</b> are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement and with the objectives of the European Climate Law (Regulation (EU) 2021/1119), including achieving climate neutrality by 2050 and, where relevant, the undertaking's exposure to coal, oil and gas-related activities.</del>	<b>Amended</b>  Simplified objective, whilst maintaining core elements. Removed last line as it repeats the DR in new paragraph 14(b). Provision on EU Climate Law included to ensure consistency with regulatory framework.



<p>16. The information required by paragraph 14 shall include:</p>	<p><b>Disclosure Requirement</b></p> <p><del>16. 14.</del> The information <del>required by paragraph 14</del> about the <b><i>transition plan for climate change mitigation</i></b> shall include:</p> <p>(a) a description of its key features. This includes <b><i>GHG emission reduction targets</i></b>, the <b><i>decarbonisation levers</i></b>, key <b><i>actions</i></b>, financial and investment planning, the role of the <b><i>administrative, management and supervisory bodies</i></b>, and how the plan is embedded in and aligned with the undertaking's overall business strategy. It shall also include information on how the undertaking's strategy and <b><i>business model</i></b> are compatible with the limiting global warming to 1.5°C in line with the Paris Agreement and with the EU's objective of achieving climate neutrality by 2050;</p>	<p><b>Amended</b></p> <p>Integration from former [16 (a), (b) (c), (h) and (i) and]</p> <p>Simplified and streamlined DR by consolidating a number of items in the former paragraph 16 as new paragraph 14(a).</p> <p>Improved language to clarify it is information about the TP and not an expectation to provide the TP (information gathering from stakeholders suggested this was not previously clear).</p> <p>Some more detailed aspects formerly in paragraph 16 have also been moved to supporting guidance in AR (stakeholders information gathering indicated the importance of clearly distinguishing between requirements and guidance and ensuring text is in the right sections).</p>
<p>a. by reference to <b><i>GHG emission reduction targets</i></b> (as required by Disclosure Requirement E1-4), an explanation of how the undertaking's targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement;</p>	<p><del>a. by reference to <b><i>GHG emission reduction targets</i></b> (as required by Disclosure Requirement E1-4), an explanation of how the undertaking's targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement;</del></p>	<p><b>Moved</b></p> <p>Moved to new paragraph 14(a) and AR 2(a).</p> <p>Information gathering from stakeholders identified this as a challenge, citing a lack of guidance and methodology for demonstrating target compatibility with 1.5°C.</p> <p>The language has been amended in paragraph 14(a) to require information more wholistically about how the strategy and business model are compatible rather than just the targets themselves. It also includes reference to the EU's 2050 climate neutrality objective. Related guidance has been included in AR 2(a).</p>
<p>b. by reference to GHG emission reduction targets (as required by Disclosure Requirement E1-4) and the <b><i>climate change mitigation actions</i></b> (as required by Disclosure Requirement E1-3), an explanation of the</p>	<p><del>b. by reference to GHG emission reduction targets (as required by Disclosure Requirement E1-4) and the <b><i>climate change mitigation actions</i></b> (as required by Disclosure Requirement E1-3), an explanation of the <b><i>decarbonisation levers</i></b></del></p>	<p><b>Moved</b></p> <p>Moved to new paragraph 14(a) and AR 2(b).</p>

<p><b>decarbonisation levers</b> identified, and key actions planned, including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, or the upstream and/or downstream value chain;</p>	<p>identified, and key actions planned, including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, or the upstream and/or downstream value chain;</p>	
<p>c. by reference to the <b>climate change mitigation actions</b> (as required by Disclosure Requirement E1-3), an explanation and quantification of the undertaking's investments and funding supporting the implementation of its <b>transition plan</b>, with a reference to the key performance indicators of taxonomy-aligned CapEx, and where relevant the CapEx plans, that the undertaking discloses in accordance with Commission Delegated Regulation (EU) 2021/2178;</p>	<p><del>e. by reference to the <b>climate change mitigation actions</b> (as required by Disclosure Requirement E1-3), an explanation and quantification of the undertaking's investments and funding supporting the implementation of its <b>transition plan</b>, with a reference to the key performance indicators of taxonomy-aligned CapEx, and where relevant the CapEx plans, that the undertaking discloses in accordance with Commission Delegated Regulation (EU) 2021/2178;</del></p>	<p><b>Moved</b></p> <p>Moved to new paragraph 14(a) and new AR 2(c).</p> <p>Maintained requirement to disclose financial resources supporting the TP, moving the detail to AR 2(c). Information gathering from stakeholders highlighted the importance of maintaining quantitative figures to clearly demonstrate commitment to the TP and allow for comparability. A link to GDR-A has also been included in AR 2(c) to support disclosure of financial resources, and to simplify the DR.</p> <p>Information gathering from stakeholders revealed mixed views on keeping link to EU taxonomy. Some welcomed the ability to reference the taxonomy noting difficulties reconciling amounts to specific actions. The reference to taxonomy-aligned KPIs was removed from E1-1 however it has been maintained as NMIG for the disclosure requirement <i>E1-5 – Actions and resources in relation to climate change</i>. AR 2(c) specifically refers to E1-5.</p>
<p>d. a qualitative assessment of the potential <b>locked-in GHG emissions</b> from the undertaking's key assets and products. This shall include an explanation of if and how these <b>emissions</b> may jeopardise the achievement of the undertaking's <b>GHG emission reduction targets</b> and drive <b>transition risk</b>, and if applicable, an explanation of the undertaking's plans</p>	<p><del>d. a qualitative assessment of the potential <b>locked-in GHG emissions</b> from the undertaking's key assets and products. This shall include an explanation of if and how these <b>emissions</b> may jeopardise the achievement of the undertaking's <b>GHG emission reduction targets</b> and drive <b>transition risk</b>, and if applicable, an explanation of the</del></p>	<p><b>Amended</b></p> <p>Information gathered from stakeholders demonstrated split views on the matter. Some suggested making the assessment of locked-in emissions voluntary or conditional, and in general asked for further guidance.</p>

to manage its GHG-intensive and energy-intensive assets and products;	<del>undertaking's plans to manage its GHG-intensive and energy-intensive assets and products;</del>  (c) information about <b><i>dependencies</i></b> on which the <b><i>transition plan</i></b> relies, including a qualitative assessment of how potential <b><i>locked-in GHG emissions</i></b> from key assets and products may jeopardise the achievement of the plan and drive <b><i>transition risk</i></b> ; and	Some were asking for deletion, others said it was critical to be maintained.  Suggestion to maintain this qualitative assessment as a disclosure requirement.  Additionally, information about dependencies on which the TP relies upon has been included here as new text to closer align with the wording of IFRS S2.14(a)(iv). Dependencies of actions on financial resources was a required datapoint linked to E1-3 Actions AR21.
e. for undertakings with economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation, an explanation of any objective or plans (CapEX, CapEX plans, OpEX) that the undertaking has for aligning its economic activities (revenues, CapEX, OpEX) with the criteria established in Commission Delegated Regulation 2021/2139 <sup>(29)</sup> ;	<del>e. for undertakings with economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation, an explanation of any objective or plans (CapEX, CapEX plans, OpEX) that the undertaking has for aligning its economic activities (revenues, CapEX, OpEX) with the criteria established in Commission Delegated Regulation 2021/2139 <sup>(29)</sup>;</del>	<b>Deleted</b>  As above for former paragraph 16(c), information gathering from stakeholders revealed mixed views on keeping link to EU taxonomy, whilst others welcomed the ability to reference the taxonomy noting difficulties reconciling amounts to specific actions. This was removed from E1-1 however has been maintained as NMIG for the disclosure requirement <i>E1-5 – Actions and resources in relation to climate change</i> . AR 2(c) specifically refers to E1-5.
f. if applicable, a disclosure of significant CapEX amounts invested during the reporting period related to coal, oil and gas-related economic activities; <sup>(30)</sup>	<del>f. (b) if applicable, a disclosure of significant CapEX amounts invested during the reporting period related to coal, oil and gas-related economic activities<sup>1</sup> if the undertaking has them;</del>	<b>Amended</b>  Maintained with minor amendments.
g. a disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks; <sup>(31)</sup>	<del>g. a disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks; <sup>(31)</sup></del>	<b>Deleted</b>

<sup>1</sup> The CapEX amounts considered are related to the following NACE codes: (a) B.05 Mining of coal and lignite, B.06 Extraction of crude petroleum and natural gas (limited to crude petroleum), B.09.1 Support activities for petroleum and natural gas extraction (limited to crude petroleum), (b) C.19 Manufacture of coke and refined petroleum products, (c) D.35.1 - Electric power generation, transmission and distribution, (d) D.35.3 - Steam and air conditioning supply (limited to coal-fired and oil-fired power and/or heat generation), (e) D.46.81 - Wholesale of solid, liquid and gaseous fuels and related products (limited to solid and liquid fuels).

		<p>Information gathering from stakeholders indicated that it created unnecessary burden, and it was oftentimes unknown to entities whether they were excluded or not.</p> <p>Exclusion from PABs can arguably be deduced by users, in referring to an undertaking's disclosures on its strategy (E1-2 and E1-3) as it provides information on its business activities.</p>
h. an explanation of how the <b>transition plan</b> is embedded in and aligned with the undertaking's overall business strategy and financial planning;	<del>h. an explanation of how the <b>transition plan</b> is embedded in and aligned with the undertaking's overall business strategy and financial planning;</del>	<p><b>Moved</b></p> <p>Moved to new paragraph 14(a).</p>
i. whether the transition plan is approved by the <b>administrative, management and supervisory bodies</b> ; and	<del>i. whether the transition plan is approved by the <b>administrative, management and supervisory bodies</b>; and</del>	<p><b>Moved</b></p> <p>Moved to new paragraph 14(a).</p> <p>Modified language to focus more on the role of management rather than a specific 'yes/no' approval. Information gathering from stakeholder indicated that the original text could result in a tick-box approach, and that the information provided under governance disclosures in ESRS 2 would likely provide more substantial information.</p>
j. an explanation of the undertaking's progress in implementing the transition plan.	<u>(d)</u> an explanation of the undertaking's progress in implementing the transition plan.	<p><b>Unchanged</b></p> <p>No objections found in information gathering; thus, no revisions are necessary.</p>
17. In case the undertaking does not have a <b>transition plan</b> in place, it shall indicate whether and, if so, when it will adopt a transition plan.	<p><b>Disclosure Requirement</b></p> <p><u>15.</u> (former 17) <del>In case</del> If the undertaking does not have a <b>transition plan for climate change mitigation</b> in place, it shall indicate whether and, if so, when it will adopt a <del>transition plan</del> one.</p>	<p><b>Amended</b></p> <p>Maintained with minor amendments.</p> <p>Information gathering from stakeholders suggested this was not required as it is implied that a TP doesn't exist if an undertaking does not disclose about it. A decision was made to maintain it for the avoidance of any doubt.</p>

Impact, risk and opportunities		
IRO 1 - Description of the processes to identify and assess material impacts, risks and opportunities	Disclosure Requirement E1-2 – Climate-related risks and scenario analysis	Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>	
20. The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to:	<p><del>20. The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to:</del></p> <p><b>Disclosure Requirement:</b></p> <p>16. The objective of this DR is to enable <b>users</b> an understanding of how the undertaking identifies and assesses climate-related <b>impacts, risks and opportunities</b> for <b>materiality</b>.</p>	<b>Amended</b>  Disclosure streamlined significantly following information gathering from stakeholders demanding simplification. Objective to focus the disclosure on specific information related to items used in the assessment.
(a) impacts on climate change, in particular, the undertaking's GHG emissions (as required by Disclosure Requirement ESRS E1-6);	<del>(a) impacts on climate change, in particular, the undertaking's GHG emissions (as required by Disclosure Requirement ESRS E1-6);</del>	<b>Deleted</b> Due to simplification purposes.
(b) climate-related physical risks in own operations and along the upstream and downstream value chain, in particular: i. the identification of climate-related hazards, considering at least high emission climate scenarios; and ii. the assessment of how its assets and business activities may be exposed and are sensitive to these climate-related hazards, creating gross physical risks for the undertaking.	<p><del>(b) climate-related physical risks in own operations and along the upstream and downstream value chain, in particular:</del></p> <p><del>i. the identification of climate-related hazards, considering at least high emission climate scenarios; and</del></p> <p><del>ii. the assessment of how its assets and business activities may be exposed and are sensitive to these climate-related hazards, creating gross physical risks for the undertaking.</del></p>	<b>Deleted</b> Due to simplification purposes.
(c) climate-related transition risks and opportunities in own operations and along the upstream and downstream value chain, in particular: i. the identification of climate-related transition events, considering at least a climate scenario in line with	<p><del>(c) climate-related transition risks and opportunities in own operations and along the upstream and downstream value chain, in particular:</del></p> <p><del>i. the identification of climate-related transition events, considering at least a climate scenario in line with limiting global warming to 1.5°C with no or limited overshoot; and</del></p>	<b>Deleted</b> Due to simplification purposes.

limiting global warming to 1.5°C with no or limited overshoot; and ii. the assessment of how its assets and business activities may be exposed to these climate-related transition events, creating gross transition risks or opportunities for the undertaking.	<del>ii. the assessment of how its assets and business activities may be exposed to these climate-related transition events, creating gross transition risks or opportunities for the undertaking.</del>	
	<b>Disclosure Requirement:</b> <u>17.</u> The undertaking shall explain for each material climate-related risk identified (per [Draft] Amended ESRS 2, paragraph 28), whether it classifies the risk as a <b><i>climate-related physical risk</i></b> or a <b><i>climate-related transition risk</i></b> .	<b>Moved</b> [NMIG contain related guidance for paragraph 17]  Sentence moved from SBM-1 as this is part of IRO rather than resilience. Alignment with IFRS S2 10(b).
21. When disclosing the information required under paragraphs 20 (b) and 20 (c) the undertaking shall explain how it has used climate related <b><i>scenario analysis</i></b> , including a range of climate scenarios, to inform the identification and assessment of <b><i>physical risks</i></b> and <b><i>transition risks</i></b> and opportunities over the short-, medium- and long-term.	<del>21. When disclosing the information required under paragraphs 20 (b) and 20 (c) the undertaking shall explain how it has used climate-related <b><i>scenario analysis</i></b>, including a range of climate scenarios, to inform the identification and assessment of <b><i>physical risks</i></b> and <b><i>transition risks</i></b> and opportunities over the short-, medium- and long-term.</del> <b>Disclosure Requirement:</b> <u>18.</u> In addition to the disclosure provided in accordance with [Draft] Amended ESRS 2 IRO-1 and IRO-2, the undertaking shall <u>disclose key elements of the methodology used to assess how its assets and business activities in own operations and upstream and downstream value chain may be exposed:</u> <u>a) to climate-related hazards (over the short-, medium- and long-term);</u> <u>b) to climate-related transition events and trends (over the short-, medium- and long-term).</u>	<b>Amended</b> [AR 5, 6 and 7 contain related guidance for paragraph 18]  The revised text clarifies that information is required on both the exposure to climate-related hazards and transition events, and the use of climate-related scenario analysis to inform that assessment.
	<u>19.</u> The key elements of the methodology include: the scope of the analysis, the methodologies and/or tools used for the analysis, the ranges of scenarios used, the time period when it was carried out and how the undertaking has used climate-related <b><i>scenario</i></b>	<b>New</b> Integrated from former [AR 13]

	<u><b>analysis.</b> In addition, for 18 (a) the undertaking shall include the spatial resolution of the analysis and for 18 (b) it shall include the type of transition events analysed.</u>	Added to rephrase the original AR 13, clarifying the type of information required and aligning it with IFRS 22(b).
<b>Strategy</b>		
<b>SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model</b>	<b><u>E1-3 - Resilience in relation to climate change</u></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
	<b>Disclosure Requirement</b> <u>20. The objective of this DR is to provide users with an understanding of the extent to which the undertaking's strategy and <b>business model</b> are prepared for, and can adapt to, climate-related <b>risks</b>.</u>	<b>New</b> [AR 8 contains related guidance for paragraph 20]  Text added containing a reference to ESRS to bring more action orientation and clarity.
18. The undertaking shall explain for each material climate-related risk it has identified whether the entity considers the risk to be a <b><i>climate-related physical risk</i></b> or <b><i>climate-related transition risk</i></b> .	<del>The undertaking shall explain for each material climate-related risk it has identified whether the entity considers the risk to be a <b><i>climate-related physical risk</i></b> or <b><i>climate-related transition risk</i></b>.</del>	<b>Moved</b>  Moved to E1-2 - Climate-related risks and scenario analysis. This DP is required for alignment with S2.10(b).
19. The undertaking shall describe the resilience of its strategy and business model in relation to climate change. This description shall include:	<b>Disclosure Requirement</b> <del>19- 21. In addition to the information disclosed in accordance with ESRS 2 SBM-3 the undertaking shall describe</del> <u>disclose the following information related to the resilience of its strategy and <b>business model</b> in response to identified climate-related <b>risks</b>: relation to climate change. This description shall include</u>	<b>Amended</b>  The main text is now aligned with IFRS S2.22.
(a) the scope of the resilience analysis;	<u>a) the <del>scope</del> results of the its resilience analysis in relation to climate-related risks, explaining the implications, if any, of its assessment of its strategy and business model and how it</u>	<b>Amended</b> [AR 9 contains related guidance for paragraph 21(a)]

	would need to respond to the effects identified in the climate-related <b>scenario analysis</b> , and explaining how its current and planned mitigation and adaptation <b>actions</b> (as per DR E1-5) and <b>transition plans</b> (as per DR E1-1) support, strengthen or impact its resilience towards climate-related risks;	Alignment with IFRS S2.22.
(b) how and when the resilience analysis has been conducted, including the use of climate scenario analysis as referenced in the Disclosure Requirement related to ESRS 2 IRO-1 and the related application requirement paragraphs; and	b) <del>how and when the resilience analysis has been conducted, including the use of climate <b>scenario analysis</b> as referenced in the Disclosure Requirement related to ESRS 2 IRO-1 and the related application requirement paragraphs; and</del> significant areas of uncertainty in the assessment of its <b>climate resilience</b> ; and	<b>Amended</b> Alignment with IFRS S2.22.
(c) the results of the resilience analysis including the results from the use of scenario analysis.	c) <del>the results of the resilience analysis including the results from the use of scenario analysis</del> its capacity to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term.	<b>Amended</b> [AR 10 contains related guidance for paragraph 21(c)]  Alignment with IFRS S2.22.
<b>Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation</b>	<b>Disclosure Requirement E1-4 – Policies related to climate change</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
22. The undertaking shall describe its <i>policies</i> adopted to manage its material <i>impacts, risks and opportunities</i> related to <i>climate change mitigation and adaptation</i> .	22. The undertaking shall describe its <i>policies</i> adopted to manage its material <i>impacts, risks and opportunities</i> related to <i>climate change mitigation and adaptation</i> .	<b>Moved</b> Moved to ESRS 2.
23. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has <b>policies</b> that address the identification, assessment, management and/or <b>remediation</b> of its material <b>climate change mitigation and adaptation impacts, risks and opportunities</b> .	23. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has <del><b>policies</b> that address the identification, assessment, management and/or <b>remediation</b> of its material <b>climate change mitigation and adaptation impacts, risks and opportunities</b></del>	<b>Deleted</b>  Received feedback indicated that objectives to disclosures are seen redundant with the actual disclosure requirement. Suggestions included deletion to improve the readability of the standard. Subject to the revision of ESRS 1 paragraph 34 (b) (omission of metric datapoints), objectives paragraphs could only be kept for metrics.



24. The disclosure required by paragraph 22 shall contain the information on the <b>policies</b> the undertaking has in place to manage its material <b>impacts, risks</b> and <b>opportunities</b> related to <b>climate change mitigation</b> and <b>adaptation</b> in accordance with ESRS 2 MDR-P <i>Policies adopted to manage material sustainability matters</i> .	<b>Disclosure Requirement</b> <del>24. The disclosure required by paragraph 22 shall contain the information on the <b>policies</b> the undertaking has in place to manage its material impacts, risks and opportunities related to 22. The undertaking shall disclose its climate change <b>policies</b> mitigation and adaptation in accordance with the provisions of [Draft] Amended ESRS 2 GDR-P. Policies adopted to manage material sustainability matters.</del>	<b>Amended</b>  Integration from former [14(b)].  [NMIG contains related guidance for paragraph 22]
25. The undertaking shall indicate whether and how its <b>policies</b> address the following areas: a. <b>climate change mitigation</b> ; b. <b>climate change adaptation</b> ; c. energy efficiency; d. <b>renewable energy</b> deployment; and e. other	<del>25. The undertaking shall indicate whether and how its <b>policies</b> address the following areas: b. <del>climate change mitigation</del>; c. <del>climate change adaptation</del>; d. energy efficiency; f. <del>renewable energy</del> deployment; and other</del>	<b>Deleted</b>  Received feedback indicated that in reviewing the undertakings' policy, the user is, in effect reviewing the same disclosure provided under ESRS E1 paragraph 24, making paragraph 25 redundant with no meaningful implications.  It was also pointed out that 'whether' and 'how' paragraphs may elicit unfavorable perceptions, particularly in cases where the undertaking has not included the prescribed areas in its policies.
<b>Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies</b>	<b>Disclosure Requirement E1-5 – Actions and resources in relation to climate change <u>policies</u></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
26. The undertaking shall disclose its <i>climate change mitigation</i> and <i>adaptation</i> actions and the resources allocated for their implementation.	<del>26. The undertaking shall disclose its <i>climate change mitigation</i> and <i>adaptation</i> actions and the resources allocated for their implementation.</del>	<b>Amended</b>  Integration from [23]  Merged with former paragraph 28 (now paragraph 19, see below) to avoid the redundancies. Stakeholder feedback included suggestions to delete.
27. The objective of this Disclosure Requirement is to provide an understanding of the key <b>actions</b> taken and	<del>27. The objective of this Disclosure Requirement is to provide an understanding of the key <b>actions</b> taken and planned to achieve climate related <b>policy</b> objectives and <b>targets</b>.</del>	<b>Deleted</b>  No objective for the PATs.

planned to achieve climate-related <b>policy</b> objectives and <b>targets</b> .		
28. The description of the <b>actions</b> and resources related to <b>climate change mitigation</b> and adaptation shall follow the principles stated in ESRS 2 MDR-A <i>Actions and resources in relation to material sustainability matters</i> .	<p><b>Disclosure Requirement</b></p> <p><del>28. The description of the</del> 23. The undertaking shall disclose its key climate change <b>actions</b> and resources allocated to their implementation related to <del>climate change mitigation and adaptation</del> shall follow the principles stated in accordance with the provisions of ESRS 2 GDR-A. <i>Actions and resources in relation to material sustainability matters.</i></p>	<p><b>Amended</b></p> <p>Merged with [paragraph 26].</p> <p>‘key’ actions were included as to align with ESRS 2 GDR-A.</p>
29. In addition to ESRS 2 MDR-A, the undertaking shall:	<p><b>Disclosure Requirement</b></p> <p><del>29- 24.</del> In addition to [Draft] Amended ESRS 2 GDR-A, when disclosing current and planned actions, the undertaking shall:</p>	<p><b>Amended</b></p> <p>[NMIG contains related guidance for paragraph 24]</p> <p>Information gathering from the public input survey : E1-3: add a datapoint referring to MDR-A financial resources by splitting §28 amended into a) actions and b) resources.</p> <p>Evidence gathering supports retaining CapEx/OpEx disclosures, warning that vague terms like ‘resources’ reduce clarity on transition finance. They stress the need for additionality and standardised data to ensure credible transition plans. Disclosing broad investment categories is seen as a feasible compromise. Robust requirements help avoid legal risks and ensure a level playing field.</p>
a. when listing key actions taken in the reporting year and planned for the future, present the climate change mitigation actions by decarbonisation lever including the nature-based solutions;	<p>(a) <del>when listing key actions taken in the reporting year and planned for the future,</del> present its key <b>climate change mitigation actions</b> by <b>decarbonisation lever</b>; including the <del>nature-based solutions;</del></p>	<p><b>Amended</b></p> <p>Amended for simplification purposes.</p>

b. when describing the outcome of the actions for climate change mitigation, include the achieved and expected GHG emission reductions ; and	(b) <del>when describing in relation to the outcome of the key actions for climate change mitigation actions</del> , include the achieved and expected <b>GHG emission reduction</b> ; and	<b>Amended</b> Information gathering from stakeholders points out to the need of maintaining the DP ((b): Given changes to MDR-A (b) not covered any longer in ESRS 2 so (b) should stay.
c. relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: i. the relevant line items or notes in the financial statements; ii. the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178; and iii. if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.	(c) in relation to the type of current and future financial <b>resources</b> and other resources allocated to the key actions as per [Draft] Amended ESRS 2 GDR-A, paragraph 38, include quantitative short- and medium-term CapEx and/or OpEx figures, as well as anticipated long-term CapEx and/or OpEx ranges. <del>(c) relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: i. the relevant line items or notes in the financial statements; ii. the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178; and iii. if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.</del>	<b>Amended</b> Amended to address most challenging provisions In line with approach to GDR, (c)i: deletion of the reference to the amounts presented in the financial statements was done because the content is already required under ESRS 1 par. 90 and 124 and new MDR-A includes link “(b) disclose the amount of current financial resources and indicate the line items or paragraphs of the notes from which they are sourced”. Information gathered from stakeholders pointed to difficulty and uncertain value of reconciling CapEx and OpEx of EU Taxonomy with overall CapEx and OpEx for climate action, as well as difficulties in calculating CapEx and OpEx
<b>Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation</b>	<b>Disclosure Requirement E1-6 – Targets related to climate change <del>mitigation and adaptation</del></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
30. The undertaking shall disclose the climate-related targets it has set.	<del>30. The undertaking shall disclose the climate-related targets it has set.</del>	<b>Moved</b> Moved to [32].
31. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has set to support its climate change mitigation and adaptation policies and address its material climate-related impacts, risks and opportunities.	<del>31. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has set to support its climate change mitigation and adaptation policies and address its material climate-related impacts, risks and opportunities.</del>	<b>Deleted</b> No objective for the PATs.
32. The disclosure of the targets required in paragraph 30 shall contain the information required in ESRS 2	<b>Disclosure Requirement</b>	<b>Moved</b>

MDR-T Tracking effectiveness of policies and actions through targets.	<del>32. The disclosure of the targets required in paragraph 30 shall contain the information required in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</del> <u>25. The undertaking shall disclose its <b>climate change targets</b> it has set in accordance with the provisions of [Draft] Amended ESRS 2 GDR-T</u>	Integrated from [32].
33. For the disclosure required by paragraph 30, the undertaking shall disclose whether and how it has set GHG emissions reduction targets and/or any other targets to manage material climate-related impacts, risks and opportunities, for example, renewable energy deployment, energy efficiency, climate change adaptation, and physical or transition risk mitigation.	<del>33. For the disclosure required by paragraph 30, the undertaking shall disclose whether and how it has set GHG emissions reduction targets and/or any other targets to manage material climate-related impacts, risks and opportunities, for example, renewable energy deployment, energy efficiency, climate change adaptation, and physical or transition risk mitigation.</del>	<b>Deleted</b> This paragraph has been deleted as it is redundant with ESRS 2 GDR-T (which is mentioned in paragraph 25).
34. If the undertaking has set GHG emission reduction targets ( 39 ), ESRS 2 MDR-T and the following requirements shall apply:	<b>Disclosure Requirement</b> <u>26. If the undertaking has set GHG emission reduction targets, ESRS 2 MDR-T and the following requirements shall apply: The undertaking shall disclose <b>GHG emissions reduction targets</b> it has set, including:</u>	<b>Amended</b> Amended to simplify the wording.
(a) GHG emission reduction targets shall be disclosed in absolute value (either in tonnes of CO2eq or as a percentage of the emissions of a base year) and, where relevant, in intensity value;	(a) <u>absolute GHG emission reduction targets for Scope 1, 2 and 3, either separately or combined, shall be disclosed in absolute value (either in tonnes of CO2eq or as a percentage of the emissions of a base year) and, where relevant, in intensity value. The undertaking shall specify, in case of combined GHG emission reduction targets, which <b>GHG emission</b> Scopes (1, 2 and/or 3) are covered by the target and the share related to each respective GHG emission Scope;</u>	<b>Amended</b> The disclosure on absolute target has been kept as requested by data users. Current market practice confirms that undertakings calculate their global targets in considerations to the relevant GHG emission Scopes. For transparency reasons, for the case of combined GHG reduction targets, the requirement to disclose the share of related targets was maintained.
(b) Scope 1, 2, and 3 GHG emissions, either separately or combined. The undertaking shall specify, in case of combined GHG emission reduction targets, which GHG emission Scopes (1, 2 and/or 3) are covered by the target, the share related to each respective GHG	<del>(b) Scope 1, 2, and 3 GHG emissions, either separately or combined. The undertaking shall specify, in case of combined GHG emission reduction targets, which GHG emission Scopes (1, 2 and/or 3) are covered by the target, the share related to each respective GHG emission Scope and which GHGs</del>	<b>Moved</b> Content integrated from [AR 24].

emission Scope and which GHGs are covered. The undertaking shall explain how the consistency of these targets with its GHG inventory boundaries is ensured (as required by Disclosure Requirement E1-6). The GHG emission reduction targets shall be gross targets, meaning that the undertaking shall not include GHG removals, carbon credits or avoided emissions as a means of achieving the GHG emission reduction targets;	<del>are covered. The undertaking shall explain how the consistency of these targets with its GHG inventory boundaries is ensured (as required by Disclosure Requirement E1-6). The GHG emission reduction targets shall be gross targets, meaning that the undertaking shall not include GHG removals, carbon credits or avoided emissions as a means of achieving the GHG emission reduction targets; if the scope of the GHG emission reduction target diverges from the scope of the GHG inventory boundary emissions (reported under DR E1-8) the percentages for Scope 1, 2 and 3 covered by the target, as well as which GHGs are covered;</del>	
(c) the undertaking shall disclose its current base year and baseline value, and from 2030 onwards, update the base year for its GHG emission reduction targets after every five-year period thereafter. The undertaking may disclose the past progress made in meeting its targets before its current base year provided that this information is consistent with the requirements of this Standard;	<del>(c) the undertaking shall disclose its current base year and baseline value, and from 2030 onwards, update the base year for its GHG emission reduction targets after every five-year period thereafter. The undertaking may disclose the past progress made in meeting its targets before its current base year provided that this information is consistent with the requirements of this Standard;</del>	<b>Deleted</b>  Deleted due to feedback from public survey on allowing more flexibility on the base year.
(d) GHG emission reduction targets shall at least include target values for the year 2030 and, if available, for the year 2050. From 2030, target values shall be set after every 5-year period thereafter;	<del>(d) GHG emission reduction targets shall at least include target values for the year 2030 and, if available, for the year 2050. From 2030, target values shall be set after every 5-year period thereafter;</del>	<b>Deleted</b>  Deleted due to feedback from public survey on allowing more flexibility on the base year.
(e) the undertaking shall state whether the GHG emission reduction targets are science- based and compatible with limiting global warming to 1.5°C. The undertaking shall state which framework and methodology has been used to determine these targets including whether they are derived using a sectoral decarbonisation pathway and what the underlying climate and policy scenarios are and whether the targets have been externally assured. As	<del>(e) the undertaking shall state (c) a statement on whether the GHG emission reduction targets are science- based and compatible with limiting global warming to 1.5°C. The undertaking shall state which framework and methodology has been used to determine these targets, including whether they are derived using a sectoral decarbonisation pathway and what the underlying climate and policy scenarios are and whether the targets have been externally assured. As part of the critical assumptions used for setting GHG emission reduction targets,</del>	<b>Amended</b>  Revised articulation while keeping the key content (compatibility of 1.5 degree).

part of the critical assumptions for setting GHG emission reduction targets, the undertaking shall briefly explain how it has considered future developments (e.g., changes in sales volumes, shifts in customer preferences and demand, regulatory factors, and new technologies) and how these will potentially impact both its GHG emissions and emissions reductions; and	the undertaking shall briefly explain how it has considered future developments (e.g., changes in sales volumes, shifts in customer preferences and demand, regulatory factors, and new technologies) and how these will potentially impact both its <b>GHG emissions</b> and emissions reductions.; and	
(f) the undertaking shall describe the expected decarbonisation levers and their overall quantitative contributions to achieve the GHG emission reduction targets (e.g., energy or material efficiency and consumption reduction, fuel switching, use of renewable energy , phase out or substitution of product and process).	<del>(f) the undertaking shall describe the expected decarbonisation levers and their overall quantitative contributions to achieve the GHG emission reduction targets (e.g., energy or material efficiency and consumption reduction, fuel switching, use of renewable energy , phase out or substitution of product and process).</del>	<b>Moved</b> Considered as presentation provisions and moved to AR.
<b>Disclosure Requirement E1-5 – Energy consumption and mix</b>	<b>Disclosure Requirement E1-7 – Energy consumption and mix</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
35. The undertaking shall provide information on its energy consumption and mix.	<b>Disclosure Requirement</b> <del>23. 27.</del> The objective of this <u>DR disclosure requirement</u> is to <u>specify standardised metrics that provide an understanding of the undertaking's shall report when disclosing about its energy consumption and mix.</u> 26. The undertaking shall <del>disclose</del> provide information on its energy consumption and mix, namely on its:	<b>Amended</b> Incorporation of former [36]  Simplified for clarity purposes. Streamlined articulation of the provision while keeping the content.
36. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's total energy consumption in absolute value, improvement in energy efficiency, exposure to coal, oil and gas-related activities, and the share of <b>renewable energy</b> in its overall energy mix.	<del>The objective of this Disclosure Requirement is to provide an understanding of the undertaking's total energy consumption in absolute value, improvement in energy efficiency, exposure to coal, oil and gas-related activities, and the share of <b>renewable energy</b> in its overall energy mix.</del>	<b>Moved</b> Incorporated in new [27].
37. The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by:	<b>Disclosure Requirement</b> <del>The disclosure required by paragraph 35 shall include the 28.</del> (35 and 37 amended) The undertaking shall disclose information on	<b>Amended</b> [AR 18 contains related guidance for paragraph 28]

<p>(a) total energy consumption from fossil sources<sup>2</sup>;</p> <p>(b) total energy consumption from nuclear sources;</p> <p>(c) total energy consumption from renewable sources disaggregated by:</p> <p>i. fuel consumption for renewable sources including biomass (also comprising industrial and municipal <b>waste</b> of biologic origin), biofuels, biogas, hydrogen from renewable sources<sup>3</sup>, etc.</p> <p>ii. consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources; and</p> <p>iii. consumption of self-generated non-fuel renewable energy.</p>	<p>its energy consumption and mix, namely on its total energy consumption in MWh related to <u>its</u> own operations<sub>2</sub>, disaggregated by:</p> <p>(a) total energy consumption from fossil sources<sup>4</sup>;</p> <p>(b) total energy consumption from nuclear sources;</p> <p>(c) total energy consumption from renewable sources. <del>disaggregated by:</del></p>	<p>[NMIG contains related guidance for paragraph 28]</p> <p>Simplification for clarity purposes was needed; changes were made to limiting it to fuel consumed by large electricity and heat-generating units and energy purchases and resales for the largest entities.</p> <p>No longer further disaggregation into (c)(i)(ii)(iii) due to complexity and lack of data, simplification was achieved by refining the amount of breakdown datapoints required under environmental metrics.</p>
<p>38. The undertaking with operations in <b>high climate impact sectors</b><sup>5</sup> shall further disaggregate their total energy consumption from fossil sources by:</p> <p>a. fuel consumption from coal and coal products;</p> <p>b. fuel consumption from crude oil and petroleum products;</p> <p>c. fuel consumption from natural gas;</p> <p>d. fuel consumption from other fossil sources;</p>	<p><b>Disclosure Requirement</b></p> <p><del>29.</del> (38 amended) The undertaking <del>with operations in high climate impact sectors</del> shall further disaggregate their <u>its</u> total energy consumption from fossil sources by:</p> <p>(a) fuel consumption from coal and coal products;</p> <p>(b) fuel consumption from crude oil and petroleum products;</p> <p>(c) fuel consumption from natural gas;</p> <p>(d) fuel consumption from other fossil sources;</p>	<p><b>Amended</b></p> <p>Information gathered from stakeholders suggested removing the restriction of intensity metrics to HCIS to align them with the approach to GHG and water intensity metrics.</p> <p>In addition, benchmarking analysis revealed low responsiveness for HCIS metrics, suggesting deletion of the metric.</p>

<sup>5</sup> High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288).

e. consumption of <b><i>purchased or acquired electricity, heat, steam, or cooling</i></b> from fossil sources;	(e) consumption of <b><i>purchased or acquired electricity, heat, steam, or cooling</i></b> from fossil sources.	
39. In addition, where applicable, the undertaking shall disaggregate and disclose separately its non-renewable energy production and renewable energy production in MWh.	<p><b>Disclosure Requirement</b></p> <p><del>30. (39 amended) In addition, where applicable, The undertaking shall also disaggregate and disclose separately its <b><i>non-renewable energy</i></b> production and <b><i>renewable energy</i></b> production in megawatt hours (MWh).</del></p> <p><del>The datapoints to be reported under paragraphs 28 and 26 are subject to <b><i>materiality</i></b> of information (ESRS 1 Chapter 3.1).</del></p>	<p><b>Amended</b></p> <p>Simplified for clarity reasons.</p>
40. The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors.	<del>The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors.</del>	<p><b>Deleted</b></p> <p>The disclosure requirement was deleted based on information gathered from stakeholders, which either called for its removal or suggested replacing the financial denominator with a non-financial performance metric such as production volume or units sold. To add to this, this specific metric had low levels of disclosure in practice, further supporting its removal.</p>
41.The disclosure on energy intensity required by paragraph 40 shall only be derived from the total energy consumption and net revenue from activities in high climate impact sectors.	<del>The disclosure on energy intensity required by paragraph 40 shall only be derived from the total energy consumption and net revenue from activities in high climate impact sectors.</del>	<p><b>Deleted</b></p> <p>Conditional upon deletion of energy intensity and HCIS.</p>
42.The undertaking shall specify the high climate impact sectors that are used to determine the energy intensity required by paragraph 40.	<del>The undertaking shall specify the high climate impact sectors that are used to determine the energy intensity required by paragraph 40.</del>	<p><b>Deleted</b></p> <p>Conditional upon deletion of energy intensity and HCIS.</p>
43.The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amount from activities in high climate impact sectors (the denominator in the calculation of the energy intensity required by paragraph 40).	<del>The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amount from activities in high climate impact sectors (the denominator in the calculation of the energy intensity required by paragraph 40).</del>	<p><b>Deleted</b></p> <p>Conditional upon deletion of energy intensity and HCIS.</p>



Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Disclosure Requirement E1-8 – Gross Scopes 1, 2, 3 and Total GHG emissions	Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>	
44. The undertaking shall disclose in metric tonnes of CO2eq its:	<p><b>Disclosure Requirement</b></p> <p><del>44.</del></p> <p><u>32. The undertaking shall disclose in metric tonnes of CO2eq its absolute gross <b>GHG emissions</b> generated during the reporting period, expressed as metric tonnes of CO2eq classified as:</u></p>	<p><b>Amended</b></p> <p>[NMIG contains related guidance for paragraph 32]</p> <p>Minor edits on the original text</p>
(a) gross Scope 1 GHG emissions;	a) <del>gross</del> <b><u>Scope 1 GHG emissions</u></b> , including, if applicable, the percentage of Scope 1 GHG emissions from regulated emission trading schemes if it has emissions from such schemes;	<p><b>Amended</b></p> <p>For simplicity and streamlining purposes, the datapoint on percentage from regulated emissions trading schemes (former 48(b)) was incorporated here.</p>
(b) gross Scope 2 GHG emissions;	b) <del>gross</del> <b><u>Scope 2 GHG emissions</u></b> (location-based and market-based);	<p><b>Amended</b></p> <p>For simplicity and streamlining purposes, former DR 49 was consolidated and incorporated here. Based on stakeholder feedback received, there were suggestions to allow optional reporting of market-based scope 2, however some stakeholders highlighted the importance of keeping both location- and market-based scope 2 reporting which is in line with the GHG Protocol and also allows for transparency across different jurisdictions. As a result, this has been maintained.</p>
(c) gross Scope 3 GHG emissions; and	c) <del>gross</del> <b><u>Scope 3 GHG emissions</u></b> from significant Scope 3 categories as a total and per category; <del>and</del>	<p><b>Amended</b></p> <p>32(c) incorporates the requirement for each significant scope 3 category (brought up from former paragraph 51 for simplicity) and aligns with IFRS S2.29a(vi).</p>
(d) total GHG emissions.	<del>(d) total GHG emissions.</del>	<b>Deleted</b>

		Removal of requirement to report total emissions to align with international reporting standards (not required by GHG Protocol, IFRS S2 or ISO). Feedback received questioned the need and comparability of summing all emissions. Other feedback was keen to maintain it. It can be calculated by users if required.
	<u>33. (AR 43(c), AR 45(e) and AR 46(j) amended) The undertaking shall disclose its biogenic CO<sub>2</sub> emissions from the combustion or biodegradation of biomass separately from the emission scopes.</u>	<b>New</b>  Integrated from former [AR 45(e)]  Combined disclosure for biogenic emissions from CO <sub>2</sub> brought up into this section (simplification) – avoids repeating the DR for each scope.
45. The objective of the Disclosure Requirement in paragraph 44 in respect of:  a. gross Scope 1 GHG emissions as required by paragraph 44 (a) is to provide an understanding of the direct impacts of the undertaking on climate change and the proportion of its total GHG emissions that are regulated under emission trading schemes.  b. gross Scope 2 GHG emissions as required by paragraph 44 (b) is to provide an understanding of the indirect impacts on climate change caused by the undertaking's consumed energy whether externally purchased or acquired.  c. gross Scope 3 GHG emissions as required by paragraph 44 (c) is to provide an understanding of the GHG emissions that occur in the undertaking's upstream and downstream value chain beyond its Scope 1 and 2 GHG emissions. For many undertakings, Scope 3 GHG emissions may be the main component of their GHG inventory and are an important driver of the undertaking's transition risks.	<del>45. 31. The objective of the Disclosure Requirement in paragraph 44 in respect of this DR is to provide an understanding of the undertaking's direct and indirect <b>impacts</b> on climate change as a result of activities in its own operations and from within its upstream and downstream value chain.</del>  <del>a. gross Scope 1 GHG emissions as required by paragraph 44 (a) is to provide an understanding of the direct impacts of the undertaking on climate change and the proportion of its total GHG emissions that are regulated under emission trading schemes.</del>  <del>b. gross Scope 2 GHG emissions as required by paragraph 44 (b) is to provide an understanding of the indirect impacts on climate change caused by the undertaking's consumed energy whether externally purchased or acquired.</del>  <del>c. gross Scope 3 GHG emissions as required by paragraph 44 (c) is to provide an understanding of the GHG emissions that occur in the undertaking's upstream and downstream value chain beyond its Scope 1 and 2 GHG emissions. For many undertakings, Scope 3 GHG emissions may be the main</del>	<b>Amended</b>  Streamlined objectives considerably, ensuring consistency with objectives in other DRs.

<p>d. total GHG emissions as required by paragraph 44 (d) is to provide an overall understanding of the undertaking's GHG emissions and whether they occur from its own operations or the upstream and downstream value chain. This disclosure is a prerequisite for measuring progress towards reducing GHG emissions in accordance with the undertaking's climate-related targets and EU policy goals.</p> <p>The information from this Disclosure Requirement is also needed to understand the undertaking's climate-related transition risks.</p>	<p><del>component of their GHG inventory and are an important driver of the undertaking's transition risks.</del></p> <p><del>d. total GHG emissions as required by paragraph 44 (d) is to provide an overall understanding of the undertaking's GHG emissions and whether they occur from its own operations or the upstream and downstream value chain. This disclosure is a prerequisite for measuring progress towards reducing GHG emissions in accordance with the undertaking's climate-related targets and EU policy goals.</del></p> <p><del>The information from this Disclosure Requirement is also needed to understand the undertaking's climate-related transition risks.</del></p>	
<p>46. When disclosing the information on GHG emissions required under paragraph 44, the undertaking shall refer to ESRS 1 paragraphs from 62 to 67. In principle, the data on GHG emissions of its associates or joint ventures that are part of the undertaking's upstream and downstream value chain (ESRS 1 Paragraph 67) are not limited to the share of equity held. For its associates, joint ventures, unconsolidated subsidiaries (investment entities) and contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), the undertaking shall include the GHG emissions in accordance with the extent of the undertaking's operational control over them.</p>	<p><b>APPLICATION REQUIREMENT – AR</b></p> <p><u><b>AR 18.</b> The organisational boundary to be used in disclosing paragraph 32 shall be the reporting undertaking as defined in [Draft] Amended ESRS 1, paragraph 59, which is equivalent to the financial control (consolidation) boundary of the GHG Protocol.</u></p> <p><u><b>AR 20.</b> Emissions connected with assets and liabilities of joint operations that are recognised on balance sheets are classified as 'own operations' and calculated on the basis of the accounting share of financial <b>risks</b> and rewards.</u></p> <p><del>46. When disclosing the information on GHG emissions required under paragraph 44, the undertaking shall refer to ESRS 1 paragraphs from 62 to 67. In principle, the data on GHG emissions of its associates or joint ventures that are part of the undertaking's upstream and downstream value chain (ESRS 1 Paragraph 67) are not limited to the share of equity held. For its associates, joint ventures, unconsolidated subsidiaries (investment entities) and contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), the undertaking shall include the GHG emissions in accordance with the extent of the undertaking's operational control over them.</del></p>	<p><b>Amended</b></p> <p>Moved to [AR 18] and [AR 20].</p> <p>Simplified and reworded boundary expectation as a result of significant feedback received from stakeholders throughout the consultation and ESRS revision period. This included actual and perceived misalignment with the GHG Protocol and IFRS S2, and the need for further clarity on how to disclose emissions where complex arrangements exist.</p> <p>Also see [AR 19] (50 amended) for further context.</p>

47. In case of significant changes in the definition of what constitutes the undertaking and its upstream and downstream value chain, the undertaking shall disclose these changes and explain their effect on the year-to-year comparability of its reported GHG emissions (i.e., the effect on the comparability of current versus previous reporting period GHG emissions).	<del>47. In case of significant changes in the definition of what constitutes the reporting undertaking and its upstream and downstream value chain, the undertaking shall disclose these changes and explain their effect on the year-to-year comparability of its reported GHG emissions (i.e., the effect on the comparability of current versus previous reporting period GHG emissions).</del>	<b>Deleted</b>  Removed (streamlining).  Some feedback suggested this was key for comparability and that it should be maintained, however it is expected to be captured by ESRS 1, 7.1 <i>Presenting comparative information</i> , as well as ESRS 2 GDR-M on the requirement to explain significant changes.
48. The disclosure on gross Scope 1 GHG emissions required by paragraph 44 (a) shall include:  a. the gross Scope 1 GHG emissions in metric tonnes of CO <sub>2</sub> eq; and	<del>48. The disclosure on gross Scope 1 GHG emissions required by paragraph 44 (a) shall include:  a. the gross Scope 1 GHG emissions in metric tonnes of CO<sub>2</sub>eq; and</del>	<b>Deleted</b>  Redundant with new 32(a).
b. the percentage of Scope 1 GHG emissions from regulated emission trading schemes.	<del>b. the percentage of Scope 1 GHG emissions from regulated emission trading schemes.</del>	<b>Moved</b>  Moved to new [32(a)].
49. The disclosure on gross Scope 2 GHG emissions required by paragraph 44 (b) shall include:  a. the gross location-based Scope 2 GHG emissions in metric tonnes of CO <sub>2</sub> eq; and  b. the gross market-based Scope 2 GHG emissions in metric tonnes of CO <sub>2</sub> eq.	<del>49. The disclosure on gross Scope 2 GHG emissions required by paragraph 44 (b) shall include:  a. the gross location-based Scope 2 GHG emissions in metric tonnes of CO<sub>2</sub>eq; and  b. the gross market-based Scope 2 GHG emissions in metric tonnes of CO<sub>2</sub>eq.</del>	<b>Moved</b>  Incorporated both (a) and (b) in new paragraph [32(b)], streamlining the requirements on Scope 2 emissions reporting. See above paragraph [32] for further context.
50. For Scope 1 and Scope 2 emissions disclosed as required by paragraphs 44 (a) and (b) the undertaking shall disaggregate the information, separately disclosing emissions from:  a. the consolidated accounting group (the parent and subsidiaries); and  b. investees such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the	<b>APPLICATION REQUIREMENTS - AR</b>  <del>50. AR 19. When, due to specific facts and circumstances, the information reported in paragraph 32(a)(b) for the reporting undertaking (equivalent to the financial control organisational boundary) fails to convey a fair presentation of the emissions deriving from operated assets that are outside the reporting undertaking, the undertaking shall also separately disclose its Scope 1 and Scope 2 <b>GHG emissions</b> based on the operational</del>	<b>Amended</b>  DR 50 amended.  Moved and rephrased in [AR 19].  A significant amount of wide-ranging feedback was received on the topic of boundary for emissions reporting. It was also discussed at length by the SR TEG where members put forward their views on a number of

consolidated accounting group, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), for which it has operational control.	<p><u>control (consolidation) boundary, as defined in the GHG Protocol Corporate Standard (2004).</u></p> <p><u>50. For Scope 1 and Scope 2 emissions disclosed as required by paragraphs 44 (a) and (b) the undertaking shall disaggregate the information, separately disclosing emissions from:</u></p> <p><u>a. the consolidated accounting group (the parent and subsidiaries); and</u></p> <p><u>b. investees such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the consolidated accounting group, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), for which it has operational control.</u></p>	<p>possible alternatives, comparing the advantages and disadvantages of various approaches.</p> <p>This provisions on reporting boundary were subsequently redrafted to more closely align with the approach in IFRS S2 and the GHG Protocol. Alignment with global standards was a key factor in deciding on this revision, as well as minimising the risk of orphaned emissions and double counting.</p> <p>Under this revised provision, undertakings can report additional information on operational control if relevant. This aims to enable ‘fair presentation’ of emissions.</p> <p>EFRAG also considers that the amended provision will support addressing the issue of orphaned emissions which may arise in context of non-homogenous approach on reporting boundaries.</p>
51. The disclosure of gross Scope 3 GHG emissions required by paragraph 44 (c) shall include GHG emissions in metric tonnes of CO <sub>2</sub> eq from each significant Scope 3 category (i.e. each Scope 3 category that is a priority for the undertaking).	51. The disclosure of gross Scope 3 GHG emissions required by paragraph 44 (c) shall include GHG emissions in metric tonnes of CO <sub>2</sub> eq from each significant Scope 3 category (i.e. each Scope 3 category that is a priority for the undertaking).	<p><b>Moved</b></p> <p>Incorporated in new [32(c)].</p>
52. The disclosure of total GHG emissions required by paragraph 44 (d) shall be the sum of Scope 1, 2 and 3 GHG emissions required by paragraphs 44 (a) to (c). The total GHG emissions shall be disclosed with a disaggregation that makes a distinction of:	<p><del>52. The disclosure of total GHG emissions required by paragraph 44 (d) shall be the sum of Scope 1, 2 and 3 GHG emissions required by paragraphs 44 (a) to (c). The total GHG emissions shall be disclosed with a disaggregation that makes a distinction of:</del></p> <p><del>a. the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the location-based method; and</del></p>	<p><b>Deleted</b></p> <p>With total emissions reporting now deleted this is no longer applicable. Refer former [44(d)] for further rationale.</p>

b. the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the market-based method.	<del>b. the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the market-based method.</del>	
<b>GHG Intensity based on net revenue</b> 53. The undertaking shall disclose its GHG emissions intensity (total GHG emissions per net revenue).	<del>GHG Intensity based on net revenue<sup>±</sup>.  53. The undertaking shall disclose its GHG emissions intensity (total GHG emissions per net revenue).</del>	<b>Deleted</b> Deleted from mandatory content and moved to NMIG Feedback indicated challenges on revenue-based metrics as a comparable performance measure and asked for more flexibility to reflect what entities are already reporting.
54. The disclosure on GHG intensity required by paragraph 53 shall provide the total GHG emissions in metric tonnes of CO <sub>2</sub> eq (required by paragraph 44 (d)) per net revenue.	<del>54. The disclosure on GHG intensity required by paragraph 53 shall provide the total GHG emissions in metric tonnes of CO<sub>2</sub>eq (required by paragraph 44 (d)) per net revenue.</del>	<b>Deleted</b> With the amendment to former [53] (refer rationale above), this is no longer relevant.
55. The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amounts (the denominator in the calculation of the GHG emissions intensity required by paragraph 53).	<del>55. The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amounts (the denominator in the calculation of the GHG emissions intensity required by paragraph 53).</del>	<b>Deleted</b> With the amendment to former [53] (refer rationale above), this is no longer relevant.
<b>Metrics and Targets</b>		
<b>Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits</b>	<b>Disclosure Requirement E1-9 – GHG removals and GHG mitigation projects financed through carbon credits</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
56. The undertaking shall disclose:	<del>The undertaking shall disclose:–</del>	<b>Deleted</b> It was deemed redundant given the requirements are stated in former paragraph [58] and former paragraph [59].

a. GHG removals and storage in metric tonnes of CO <sub>2</sub> eq resulting from projects it may have developed in its own operations, or contributed to in its upstream and downstream value chain; and	<del>a. GHG removals and storage in metric tonnes of CO<sub>2</sub>eq resulting from projects it may have developed in its own operations, or contributed to in its upstream and downstream value chain; and</del>	<b>Moved</b> Moved to [35].  Redundant with former paragraph [58].
b. the amount of GHG emission reductions or removals from climate change mitigation projects outside its value chain it has financed or intends to finance through any purchase of carbon credits.	<del>b. the amount of GHG emission reductions or removals from climate change mitigation projects outside its value chain it has financed or intends to finance through any purchase of carbon credits.</del>	<b>Deleted</b> Redundant with former paragraph [59].
57. The objective of this Disclosure Requirement is:	<b>Disclosure Requirement</b>  57. <u>34.</u> (57 amended) The objective of this DR is to provide an understanding of: (1) the undertaking's <b>actions</b> to <u>reduce and</u> permanently remove GHGs from the atmosphere, and (2) the extent and quality of <b>carbon credits</b> it has purchased or intends to purchase from the voluntary market.	<b>Amended</b> Specific comments pertaining to this objective were not identified, but it was streamlined to support the overall simplification of E1-7 in response to information gathered by stakeholders.
a. to provide an understanding of the undertaking's <b>actions</b> to permanently remove or actively support the removal of GHG from the atmosphere, potentially for achieving <b>net-zero targets</b> (as stated in paragraph 60).	<del>a. to provide an understanding of the undertaking's <b>actions</b> to permanently remove or actively support the removal of GHG from the atmosphere, potentially for achieving <b>net-zero targets</b> (as stated in paragraph 60).</del>	<b>Deleted</b> Streamlined to support the overall simplification.
b. to provide an understanding of the extent and quality of <b>carbon credits</b> the undertaking has purchased or intends to purchase from the voluntary market, potentially for supporting its GHG neutrality claims (as stated in paragraph 61).	<del>b. to provide an understanding of the extent and quality of <b>carbon credits</b> the undertaking has purchased or intends to purchase from the voluntary market, potentially for supporting its GHG neutrality claims (as stated in paragraph 61).</del>	<b>Deleted</b> Streamlined to support the overall simplification.
58. The disclosure on <b>GHG removals and storage</b> required by paragraph 56 (a) shall include, if applicable:	<b>Disclosure Requirement</b>  <del>58. 35.</del> (58 amended) The disclosure on <del><b>GHG removals and storage</b></del> required by paragraph 56 (a) shall include If it has implemented <b>GHG removal and storage</b> projects, the undertaking shall disclose information about GHG removal projects it has developed in its own operations or contributed to in its upstream and downstream value chain, including:	<b>Amended</b> Moved from [56(a)]  Minor edits.

a. the total amount of GHG removals and storage in metric tonnes of CO <sub>2</sub> eq disaggregated and separately disclosed for the amount related to the undertaking's own operations and its upstream and downstream value chain, and broken down by removal activity; and	(a) <u>a brief description of the GHG removals and storage projects;</u> (b) the <del>total</del> amount of GHG removals and storage in metric tonnes of CO <sub>2</sub> eq disaggregated and separately disclosed for the amount related to the undertaking's own operations and its upstream and downstream value chain, and broken down by removal activity; and <u>resulting from those projects;</u>	<b>Amended</b> Made explicit to provide information about the project(s), a description, with new paragraph [35(a)]. Note that this is not a new datapoint but rather part of the existing narrative DP on removals and storage.  Clarified the requirement to explicitly explain the amount results from those projects, and simplified language, reflecting a suggestion from internal discussions.
b) the calculation assumptions, methodologies and frameworks applied by the undertaking.	(c) the assumptions regarding permanence and how the risk of non-permanence is managed, including determining and monitoring leakage and reversal events, as appropriate; and	<b>Moved</b> Moved former [AR 57(d)] to here.  The changes were made to ensure closer alignment with the related DR as suggested in internal discussions.
	(d) disclose any reversals (in tCO <sub>2</sub> eq) that may have occurred in the reporting period and decrease the amount of CO <sub>2</sub> removed and stored by the same amount;	<b>Moved</b> Moved former [AR 60] to here.
59. The disclosure on <b>carbon credits</b> required by paragraph 56 (b) shall include, if applicable:	<b>Disclosure Requirement</b> <del>59. 36.</del> (59 amended) <del>The disclosure on <b>carbon credits</b> required by paragraph 56 (b) shall include if applicable,</del> The undertaking shall disclose information about projects outside its own operations, upstream and downstream value chain that it has financed or intends to finance through any purchase of <b>carbon credits</b> , if it has financed such projects, including:	<b>Amended</b> Streamlined (a) and (b) to avoid repetition and simplify language, in response to feedback raised during internal discussions.
a. the total amount of carbon credits outside the undertaking's <b>value chain</b> in metric tonnes of CO <sub>2</sub> eq that are verified against recognised quality standards and cancelled in the reporting period; and	(a) the <del>total</del> amount of carbon credits <del>outside the undertaking's value chain</del> in metric tonnes of CO <sub>2</sub> eq that are verified against recognised quality standards and cancelled in the reporting period;	<b>Amended</b> Minor edits to support the overall simplification.
b. the total amount of carbon credits outside the undertaking's value chain in metric tonnes of CO <sub>2</sub> eq	(b) the <del>total</del> amount of carbon credits <del>outside the undertaking's value chain</del> in metric tonnes of CO <sub>2</sub> eq planned to be cancelled in	<b>Amended</b> Integrated from former [AR 62(a) and AR 62(b)]



planned to be cancelled in the future and whether they are based on existing contractual agreements or not.	the future <del>and whether they are based on existing contractual agreements or not</del> ; and  (c) (AR 62(a) amended) the share (percentage of volume) of removal projects, with an explanation of whether they are from nature-based or technological sinks.	Streamlined to support the overall simplification of E1-7 in response to information gathered from stakeholders. The requirement aspect was included from former [AR 62(a)] and an explanation was asked on the project type.
60. In the case where the undertaking discloses a <b>net-zero target</b> in addition to the gross <b>GHG emission reduction targets</b> in accordance with Disclosure Requirement E1-4, paragraph 30, it shall explain the scope, methodologies and frameworks applied and how the residual GHG <b>emissions</b> (after approximately 90-95% of GHG emission reduction with the possibility for justified sectoral variations in line with a recognised sectoral decarbonisation pathway) are intended to be neutralised by, for example, GHG removals in its own operations and upstream and downstream value chain.	<b>Disclosure Requirement</b>  <del>60. In the case where the undertaking discloses a <b>net-zero target</b>, in addition to the gross <b>GHG emission reduction targets</b> in accordance with Disclosure Requirement E1-4, paragraph 30 it shall explain the scope, methodologies and frameworks applied and how the residual GHG emissions (after approximately 90-95% of GHG emission reduction with the possibility for justified sectoral variations in line with a recognised sectoral decarbonisation pathway) are intended to be permanently neutralised. by, for example, GHG removals in its own operations and upstream and downstream value chain.</del>	<b>Deleted</b>  The deletion was based on stakeholder feedback indicating that the metrics related to GHG emissions neutralized by 2050 were considered unrealistic. Stakeholders emphasized the significant uncertainty surrounding future technologies and decarbonization pathways, making such disclosures especially difficult to provide in a reliable manner.
61. In the case where the undertaking may have made public claims of GHG neutrality that involve the use of <b>carbon credits</b> , it shall explain:	<b>Disclosure Requirement</b>  <del>61.</del> 37. (61 amended) In the case where the undertaking has made public claims of GHG neutrality that involve the use of <b>carbon credits</b> , it shall explain:	<b>Amended</b>  Minor edits in language.
a. whether and how these claims are accompanied by GHG <b>emission reduction targets</b> as required by Disclosure requirement ESRS E1-4;	<del>a. whether and how these claims are accompanied by GHG <b>emission reduction targets</b> as required by Disclosure requirement ESRS E1-4;</del>	<b>Deleted</b>  Deleted due to redundancy with E1-4.
b. whether and how these claims and the reliance on carbon credits neither impede nor reduce the achievement of its GHG emission reduction targets <sup>1</sup> , or, if applicable, its net zero target; and	(a) <del>b.</del> whether and how these claims and the reliance on carbon credits neither impede nor reduce the achievement of its <b>GHG emission reduction targets</b> ; or, if applicable, its net zero target; and	<b>Amended</b>  Maintained former paragraph [61(b)] as it relates to an undertaking's targets.
c. the credibility and integrity of the carbon credits used, including by reference to recognised quality standards.	(b) <del>c.</del> the credibility and integrity of the carbon credits used, including by reference to namely by referring to <b>recognised quality standards</b> , and any other factors necessary to	<b>Amended</b>  Additionally amended former paragraph [61(c)] to reflect language used in IFRS S2, specifically 36(e)(iv).

	understand the credibility and integrity of the carbon credits the undertaking plans to use.	
Disclosure Requirement E1-8 – Internal carbon pricing	Disclosure Requirement E1-10 – Internal carbon pricing	Comment/Rationale
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>	
62. The undertaking shall disclose whether it applies internal carbon pricing schemes, and if so, how they support its decision making and incentivise the implementation of climate-related policies and targets.	<p><b>Disclosure Requirement:</b></p> <p>38. (62 amended) The undertaking shall disclose <u>information related to its use of <b>internal carbon pricing schemes</b></u>, namely:</p> <p>(a) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and <b>scenario analysis</b>) and the consistency of the prices used with the prices used in the financial statement for impairment tests;</p> <p>(b) the price per metric tonne of <b>GHG greenhouse gas emissions</b>.</p> <p><del>whether it applies internal carbon pricing schemes, and if so, how they support its decision making and incentivise the implementation of climate-related policies and targets.</del></p>	<p><b>Amended</b> [NMIG contains related guidance for paragraph 38] Integrated from former [AR 65]</p> <p>Information gathered from stakeholders suggested the provisions to allow for exemption cases, which led to the addition of NMIG. The amendment enhanced alignment with IFRS S2. In addition to this, a specification was included to ensure consistency with the prices used in financial statement impairment tests.</p>
63. The information required in paragraph 62 shall include:	63. The information required in paragraph 62 shall include:	<p><b>Deleted</b> The paragraph was deleted following the information gathering process resulting in very low responsiveness in reporting for certain metrics, such as former paragraph [63(d)] and CapEx related topic. While metrics like the former paragraph [63(a) and (c)] had higher levels of disclosure, they were merged with the former paragraph [62], now paragraph [35], to ensure alignment with IFRS S2.</p>
(a) the type of internal carbon pricing scheme, for example, the shadow prices applied for CapEX or research and development (R&D)	a. the type of internal carbon pricing scheme, for example, the shadow prices applied for CapEX or research and development (R&D) investment decision making, internal carbon fees or internal carbon funds;	<p><b>Deleted</b> Conditional to deletion of former paragraph [63].</p>

investment decision making, internal carbon fees or internal carbon funds;		
(b) the specific scope of application of the carbon pricing schemes (activities, geographies, entities, etc.);	<del>b. the specific scope of application of the carbon pricing schemes (activities, geographies, entities, etc.);</del>	<b>Deleted</b> Conditional to deletion of former paragraph [63].
(c) the carbon prices applied according to the type of scheme and critical assumptions made to determine the prices, including the source of the applied carbon prices and why these are deemed relevant for their chosen application. The undertaking may disclose the calculation methodology of the carbon prices including the extent to which these have been set using scientific guidance and how their future development is related to science-based carbon pricing trajectories; and	<del>c. the carbon prices applied according to the type of scheme and critical assumptions made to determine the prices, including the source of the applied carbon prices and why these are deemed relevant for their chosen application. The undertaking may disclose the calculation methodology of the carbon prices including the extent to which these have been set using scientific guidance and how their future development is related to science-based carbon pricing trajectories; and</del>	<b>Deleted</b> Conditional to deletion of former paragraph [63].
(d) the current year approximate gross GHG emission volumes by Scopes 1, 2 and, where applicable, Scope 3 in metric tonnes of CO <sub>2</sub> eq covered by these schemes, as well as their share of the undertaking's overall GHG <b>emissions</b> for each respective Scope.	<del>d. the current year approximate gross GHG emission volumes by Scopes 1, 2 and, where applicable, Scope 3 in metric tonnes of CO<sub>2</sub>eq covered by these schemes, as well as their share of the undertaking's overall GHG <b>emissions</b> for each respective Scope.</del>	<b>Deleted</b> Conditional to deletion of former paragraph [63].
<b>Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities</b>	<b>Disclosure Requirement E1-11 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
64. The undertaking shall disclose its:	<del>64. The undertaking shall disclose its:</del>	<b>Deleted</b> Each DR on the metric starts with the objective (see former paragraph [65]).
(a) anticipated financial effects from material physical risks;	<del>(a) anticipated financial effects from material physical risks;</del>	<b>Deleted</b> Each DR on the metric starts with the objective (see former paragraph [65]).

(b) anticipated financial effects from material transition risks; and	<del>(b) anticipated financial effects from material transition risks; and</del>	<b>Deleted</b> Each DR on the metric starts with the objective (see former paragraph [65]).
(c) potential to benefit from material climate-related opportunities.	<del>(c) potential to benefit from material climate-related opportunities.</del>	<b>Deleted</b> Each DR on the metric starts with the objective (see former paragraph [65]).
	<b>THE OPTION 1 AND 2 ON RELIEF FOR FINANCIAL EFFECTS EQUALLY APPLY TO THIS DISCLOSURE</b>	This disclaimer has been added as the choice of the option will have a significant impact on what is reported under E1-11.
65. The information required by paragraph 64 is in addition to the information on current financial effects required under ESRS 2 SeM-3 para 48 (d). The objective of this Disclosure Requirement related to:	<b>Disclosure Requirement:</b> <del>39. The information required by paragraph 64 is in addition to the information on current financial effects required under ESRS 2 SeM-3 para 48 (d). The objective of this Disclosure Requirement related to: DR is to provide an understanding of how the identified material <b>impacts, risks</b> and <b>opportunities</b> are expected to affect the undertaking's financial position and future performance. The information required for this DR is in addition to the information on current financial effects required under [Draft] Amended ESRS 2 SBM-3, paragraphs 23 and 24.</del>	<b>Amended</b> Amended to reflect the link with IRO analysis and ESRS 2 SBM-3.
(a) anticipated financial effects due to material physical risks and transition risks is to provide an understanding of how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows, over the short-, medium and long-term. The results of scenario analysis used to conduct resilience analysis as required under paragraphs AR 10 to AR 13 should inform the assessment of anticipated financial effects from material physical and transition risks.	<del>(a) anticipated financial effects due to material physical risks and transition risks is to provide an understanding of how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows, over the short-, medium and long-term. The results of scenario analysis used to conduct resilience analysis as required under paragraphs AR 10 to AR 13 should inform the assessment of anticipated financial effects from material physical and transition risks.</del>	<b>Deleted</b> Deleted as redundant with the new paragraph [39].
(b) potential to pursue material climate-related opportunities is to enable an understanding of how the undertaking may financially benefit from material climate-related opportunities. This disclosure is complementary to the key performance indicators to be	<del>(b) potential to pursue material climate-related opportunities is to enable an understanding of how the undertaking may financially benefit from material climate-related opportunities. This disclosure is complementary to the key performance indicators to be</del>	<b>Deleted</b> Deleted and replaced by the new paragraph [42]. to strengthen the alignment with IFRS S2.

disclosed in accordance with Commission Delegated Regulation (EU) 2021/2178.	<del>be disclosed in accordance with Commission Delegated Regulation (EU) 2021/2178.</del>	
66. The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) shall include (41 = This information is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation):	<b>Disclosure Requirement:</b> <del>66- 40. The disclosure about of <i>anticipated financial effects</i> from material physical risks required by paragraph 64 (a) shall include: (41 = This information is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation):</del>	<b>Amended</b> Amended to simplify the wording.
(a) the monetary amount and proportion (percentage) of assets at material physical risk over the short-, medium and long-term before considering climate change adaptation actions; with the monetary amounts of these assets disaggregated by acute and chronic physical risk (42 = This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453 - Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk – Pillar 3);	(a) the monetary amount and <del>proportion (percentage)</del> of assets at material physical risk <del>over the short-, medium and long-term</del> before considering <i>climate change adaptation actions</i> ; <del>with the monetary amounts of these assets disaggregated by acute and chronic physical risk (42 = This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453 - Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk – Pillar 3);</del>	<b>Amended</b> Amended to keep alignment with IFRS S2 29 (c) and to keep the primary data requested by banks (66(a)) Deletion of the split between chronic and acute as not in the DRAFT Pillar 3.
(b) the proportion of assets at material physical risk addressed by the climate change adaptation actions;	<del>(b) (c) the proportion percentage</del> of assets at material physical risk addressed by the climate change adaptation actions;	<b>Amended</b> Amended to keep the primary data requested by banks (66(b)).
(c) the location of significant assets at material physical risk (43 = This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453 - Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk – Pillar 3); and	<del>(c) (b) the location of significant key</del> assets at material physical risk <del>(43 = This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453 - Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk – Pillar 3); and</del>	<b>Amended</b> Amended to keep the primary data requested by banks (66(c)).
(d) the monetary amount and proportion (percentage) of net revenue from its business activities at material physical risk over the short-, medium- and long-term.	(d) the monetary amount and <del>proportion (percentage)</del> of <del>net</del> revenue from its business activities at material physical risk <u>before considering climate change adaptation actions</u> ; <del>over the short-, medium- and long-term.</del>	<b>Amended</b> Amended to keep the primary data requested by banks. To keep alignment with IFRS S2 29 (c) and to keep the primary data requested by banks (66(d)).

	(e) the methodology applied to quantify the amounts disclosed under paragraphs 40 (a)-(c), including the scope of application, time horizons, critical assumptions, parameters and limitations and whether the calculation <b>leverages</b> on the process to identify and assess <b>physical risks</b> .	<b>Moved</b> Moved from [AR 69].
67. The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) shall include:	<b>Disclosure Requirement:</b> <del>67. 41. The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) shall include. The undertaking shall disclose the</del> <b>anticipated financial effects</b> from material <b>transition risks</b> , including:	<b>Amended</b> Moved from [AR 72(a)] Integration from former [AR 73(a)] [NMIG contains related guidance for paragraph 41]  Amended to simplify the wording.
(a) the monetary amount and proportion (percentage) of assets at material transition risk over the short-, medium and long-term before considering climate mitigation actions;	(a) the monetary amount and <del>proportion</del> (percentage) of assets at material transition risk <del>over the short-, medium and long-term</del> before considering <b>climate change mitigation actions</b> ;	<b>Amended</b> Amended to keep the primary data requested by banks (67(a)).
(b) the proportion of assets at material transition risk addressed by the climate change mitigation actions;	(b) the <del>proportion</del> percentage of assets at material transition risk addressed by the climate change mitigation actions;	<b>Amended</b> Amended to keep alignment with IFRS S2.
(c) a breakdown of the carrying value of the undertaking's real estate assets by energy-efficiency classes (44 = This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453- Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral – Pillar 3);	(c) a breakdown of the carrying amount of its real estate assets that have been used as loan collaterals by energy-efficiency classes <del>(44 = This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453- Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral – Pillar 3);</del>	<b>Amended</b> Amended to keep the primary data requested by banks (67(c)).
(d) liabilities that may have to be recognised in financial statements over the short-, medium- and long-term; and	(d) <u>potential liabilities related to climate transition that do not meet the accounting recognition criteria at the reporting date but</u> that may have to be recognised in financial statements <del>over the short-, medium and long-term</del> ;	<b>Amended</b> [NMIG contains related guidance for paragraph 41(d)]  Amended to keep the primary data requested by banks (67(d)).

(e) the monetary amount and proportion (percentage) of net revenue from its business activities at material transition risk over the short-, medium- and long-term including, where relevant, the net revenue from the undertaking's customers operating in coal, oil and gas-related activities.	(e) the monetary amount and <del>proportion (percentage)</del> of net revenue from its business activities at material transition risk and <del>over the short-, medium- and long-term including</del> , where relevant, the net revenue from its customers operating in coal, oil and gas-related activities.	<b>Amended</b> [NMIG contains related guidance for paragraph 41(e)]  Amended to keep the primary data requested by banks (67(e)).
	<u>(f) an estimate of the amount of potentially <b>stranded assets</b> from the reporting year until the mid-term and long-term time horizons as a single value or as a range of values based on different climate and policy scenarios, including a <b>scenario</b> aligned with limiting climate change to 1.5°C; and</u>	<b>Moved</b> Datapoint on potential liability from former AR 73(b) has been brought to DR. The wording has been simplified.
	<u>(g) the methodology applied to quantify the amounts disclosed under paragraphs 41 (a)-(f), including the scope of application, time horizons, critical assumptions, parameters and limitations, including whether the calculation <b>leverages</b> on the process to identify and assess transition risks (ref. to paragraph 20 (c) of ESRS E1).</u>	<b>Moved</b> Moved from AR 72.
68. The undertaking shall disclose reconciliations to the relevant line items or notes in the financial statements of the following:	<del>68. The undertaking shall disclose reconciliations to the relevant line items or notes in the financial statements of the following:</del>	<b>Deleted</b> Deleted for reduction purposes.
(a) significant amounts of the assets and net revenue at material physical risk (as required by paragraph 66);	<del>(a) significant amounts of the assets and net revenue at material physical risk (as required by paragraph 66);</del>	<b>Deleted</b> Deleted for reduction purposes.
(b) significant amounts of the assets, liabilities, and net revenue at material transition risk (as required by paragraph 67).	<del>(b) significant amounts of the assets, liabilities, and net revenue at material transition risk (as required by paragraph 67).</del>	<b>Deleted</b> Deleted for reduction purposes.
69. For the disclosure of the potential to pursue climate-related opportunities required by paragraph 64 (c) the undertaking shall consider (45 = This information is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation):	<del>69. For the disclosure of the potential to pursue climate-related opportunities required by paragraph 64 (c) the undertaking shall consider (45 = This information is aligned with Commission</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG.

	Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation);	
(a) its expected cost savings from climate change mitigation and adaptation actions (Pillar 3); and	<del>(a) its expected cost savings from <b>climate change</b> mitigation and adaptation <b>actions</b> (Pillar 3); and</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG.
(b) the potential market size or expected changes to net revenue from low-carbon products and services or adaptation solutions to which the undertaking has or may have access (Pillar 3).	<del>(b) the potential market size or expected changes to net revenue from low-carbon products and services or adaptation solutions to which the undertaking has or might have access (Pillar 3).</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG.
70. A quantification of the financial effects that arise from opportunities is not required if such a disclosure does not meet the qualitative characteristics of useful information included under ESRS 1 Appendix B Qualitative characteristics of information.	<del>70. A quantification of the financial effects that arise from opportunities is not required if such a disclosure does not meet the qualitative characteristics of useful information included under ESRS 1 Appendix B Qualitative characteristics of information.</del>	<b>Deleted</b> Deleted for reduction purposes.
	42.(69 amended) The undertaking shall disclose the amount and percentage of assets or revenue derived from its business activities aligned with climate-related opportunities, including the associated time horizons.	<b>New</b> [NMIG contains related guidance for paragraph 42]  This content is replacing paragraph [69]. The language has been aligned with IFRS S2.
<b>Appendix A</b> <b>Application Requirements</b>		
<b>Disclosure Requirement E1-1 – Transition plan for climate change mitigation</b>	<b>Disclosure Requirement E1-1 – Transition plan for climate change mitigation</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
AR 1. A <b>transition plan</b> relates to the undertaking's efforts in <b>climate change mitigation</b> . When disclosing its transition plan, the undertaking is expected to provide a high-level explanation of how it will adjust its strategy and <b>business model</b> to ensure compatibility with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement (or an updated international agreement on climate change) and the objective of achieving climate neutrality by 2050 with no or limited	AR 1. A <b>transition plan for climate change mitigation</b> sets out how the undertaking intends to transform its strategy and <b>business model</b> to ensure compatibility with the transition to a sustainable economy. It is a specific type of <b>action</b> plan, distinguished by its direct implications for the undertaking's strategic direction and business model. According to [Draft] Amended ESRS E1, paragraph 14(a), the undertaking shall disclose the key features of their transition plan for climate change mitigation. In doing so, the undertaking shall apply the qualitative characteristics of information (Appendix B of [Draft] Amended ESRS 1) to the	<b>Amended</b>  Streamlined wording and strengthened link to an undertaking's strategy and business model, with reference to new [14(a)].



overshoot as established in Regulation (EU) 2021/1119 (European Climate Law), and where applicable, how it will adjust its exposure to coal, and oil and gas-related activities.	<p><u>disclosure on transition plan for climate change mitigation ([Draft] Amended ESRS E1-1) as a whole. This is particularly important given the complexity of transition plans, which bring together multiple sustainability aspects of the undertaking's business.</u></p> <p><del>AR 1. A <b>transition plan</b> relates to the undertaking's efforts in <b>climate change mitigation</b>. When disclosing its transition plan, the undertaking is expected to provide a high-level explanation of how it will adjust its strategy and <b>business model</b> to ensure compatibility with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement (or an updated international agreement on climate change) and the objective of achieving climate neutrality by 2050 with no or limited overshoot as established in Regulation (EU) 2021/1119 (European Climate Law), and where applicable, how it will adjust its exposure to coal, and oil and gas-related activities.</del></p>	
	<p><u>AR 2. The key features referred to in paragraph 14(a) shall refer to disclosures on <b>policies, actions, resources</b> and <b>targets</b> made elsewhere (e.g. [Draft] Amended ESRS E1-5 and E1-6 as well as [Draft] Amended ESRS 2) without necessarily duplicating content but by consolidating them into a coherent narrative that demonstrates how these elements are strategically aligned to drive business transformation. The relevant disclosures for this paragraph are:</u></p>	<p><b>New</b></p> <p>Introductory paragraph to clarify the expectations of the disclosures about the TP (each key feature is detailed further in the following rows).</p> <p>This paragraph also clarifies the ability to refer to relevant content within the sustainability statement and avoid duplication (addressing information gathering from stakeholders received on duplication and redundancies in E1-1).</p>
AR 2. Sectoral pathways have not yet been defined by the public <b>policies</b> for all sectors. Hence, the disclosure under paragraph 16 (a) on the compatibility of the <b>transition plan</b> with the objective of limiting global warming to 1.5° C should be understood as the disclosure of the undertaking's GHG <b>emissions reduction target</b> . The disclosure under paragraph 16 (a) shall be benchmarked in relation to a pathway to 1.5°C.	<p>(a) <u>with reference to targets, a statement on whether the <b>GHG emission reduction targets</b> are science-based and compatible with limiting global warming to 1.5 °C ([Draft] Amended ESRS E1-6). The explanation of how the targets are compatible with limiting global warming to 1.5 °C in line with the Paris Agreement is done by benchmarking the target value against a 1.5 °C reference target value (in accordance with the provisions in [Draft] Amended ESRS E1-6, AR 17) and/or by</u></p>	<p><b>Amended</b></p> <p>Integrated from former [16(a)]</p> <p>Streamlined requirement by referring to provisions and guidance in E1-6 on targets.</p> <p>Information gathering from stakeholders indicated that benchmarking to a 1.5°C pathway does not necessarily</p>

<p>This benchmark should be based on either a sectoral decarbonisation pathway if available for the undertaking's sector or an economy-wide scenario bearing in mind its limitations (i.e., it is a simple translation of <b>emission reduction</b> objectives from the state to undertaking level). This AR should be read also in conjunction with AR 26 and AR 27 and the sectoral decarbonisation pathways they refer to.</p>	<p><u>providing validation through an independent third party, including information on the third party, the methodology/standard applied and the trajectory used;</u></p> <p><del>AR 2. Sectoral pathways have not yet been defined by the public policies for all sectors. Hence, the disclosure under paragraph 16 (a) on the compatibility of the <b>transition plan</b> with the objective of limiting global warming to 1.5° C should be understood as the disclosure of the undertaking's GHG <b>emissions reduction target</b>. The disclosure under paragraph 16 (a) shall be benchmarked in relation to a pathway to 1.5°C. This benchmark should be based on either a sectoral decarbonisation pathway if available for the undertaking's sector or an economy wide scenario bearing in mind its limitations (i.e., it is a simple translation of <b>emission reduction</b> objectives from the state to undertaking level). This AR should be read also in conjunction with AR 26 and AR 27 and the sectoral decarbonisation pathways they refer to.</del></p>	<p>equate to alignment with 1.5°C, hence wording was amended to clarify this.</p> <p>Inclusion of the option to provide target validation to explain how targets are compatible with 1.5°C supports alignments with IFRS.S2.34(a) on climate-related targets. It also acknowledges undertakings who have been applying SBTi and have had their targets validated (SBTi compatibility was a common area of feedback with respect to ESRS disclosure requirements on GHG emissions reduction targets).</p>
	<p>(b) <u>with reference to <b>actions</b>, the key actions and an explanation of the <b>decarbonisation levers</b> identified ([Draft] Amended ESRS E1-5), including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, or the upstream and/or downstream value chain;</u></p>	<p><b>New</b></p> <p>Integrated from former [16(b)]</p> <p>Reflects former [16(b)] and links to new [14(a)].</p>
<p>AR 4. When disclosing the information required under paragraph 16 (e), the undertaking shall explain how the alignment of its economic activities with the provisions of Commission Delegated Regulation (EU) 2021/2139 is expected to evolve over time to support its transition to a sustainable economy. In doing so, the undertaking shall take account of the key performance indicators required to be disclosed under Article 8 of Regulation (EU) 2020/852 (in particular taxonomy-aligned revenue and CapEx and, if applicable, CapEx plans).</p>	<p>(c) <u>with reference to financial resources, the disclosure of the investment and financial planning (including the short- and medium-term financial and investment plan) and financial resources supporting the implementation and strategic ambition of its <b>transition plan for climate change mitigation</b>, including quantitative short- and medium-term CapEx, and/or OpEx figures, as well as anticipated long-term CapEx and/or OpEx ranges ([Draft] Amended ESRS E1-5).</u></p> <p><del>AR 4. When disclosing the information required under paragraph 16 (e), the undertaking shall explain how the alignment of its economic activities with the provisions of Commission Delegated</del></p>	<p><b>Amended</b></p> <p>Integrated from former [16(c)]</p> <p>As noted above for former [16(c)] and [16(e)] with respect to the Taxonomy Regulation, information gathered from stakeholders revealed mixed views on keeping the link to EU taxonomy. Some welcomed the ability to reference the taxonomy noting difficulties reconciling amounts to specific actions. The reference to taxonomy-aligned revenue, CapEx and CapEx plans and was removed from E1-1 however it has been maintained as NMIG for the disclosure requirement E1-</p>

	<p><del>Regulation (EU) 2021/2139 is expected to evolve over time to support its transition to a sustainable economy. In doing so, the undertaking shall take account of the key performance indicators required to be disclosed under Article 8 of Regulation (EU) 2020/852 (in particular taxonomy-aligned revenue and CapEx and, if applicable, CapEx plans).</del></p>	<p><i>5 – Actions and resources in relation to climate change.</i> This AR specifically refers to E1-5.</p> <p>In addition, further guidance for the disclosure of financial resources has been detailed here, noting the importance of maintaining key qualitative metrics, as identified in the information gathered from stakeholders, allowing undertakings to provide a holistic view of financial commitments and related management of climate risks.</p>
	<p><u>While this information helps demonstrate the coherence and credibility of the <b>transition plan</b>, there is no expectation that the undertaking disclose all internal information used to manage the plan.</u></p>	<p><b>New</b></p> <p>Concluding sentence in this AR to clarify expectations on what is/is not required on transition plan disclosures.</p>
<p>AR 3. When disclosing the information required under paragraph 16(d) the undertaking may consider:</p> <p>(a) the cumulative <b>locked-in GHG emissions</b> associated with key assets from the reporting year until 2030 and 2050 in tCO<sub>2</sub>eq. This will be assessed as the sum of the estimated Scopes 1 and 2 GHG emissions over the operating lifetime of the active and firmly planned key assets. Key assets are those owned or controlled by the undertaking, and they consist of existing or planned assets (such as stationery or mobile <b>installations</b>, facilities, and equipment) that are sources of either significant direct or energy-indirect GHG emissions. Firmly planned key assets are those that the undertaking will most likely deploy within the next 5 years.</p> <p>(b) the cumulative locked-in GHG emissions associated with the direct use-phase GHG emissions of sold products in tCO<sub>2</sub>eq, assessed as the sales volume of products in the reporting year multiplied by the sum of</p>	<p>AR 3. Information on <b>dependencies</b> relate to, e.g. deployment of certain technologies, market demand or <b>policies</b>. The DR shall include an explanation of the plans to manage – e.g. by transforming, decommissioning or phasing out – its GHG-intensive and energy-intensive assets and products. Where relevant, it shall also include information in line with [Draft] Amended ESRS 2, GDR-A, regarding dependencies of future financial <b>resources</b> and other resources and how these may constrain the ability to implement the <b>transition plan actions</b>.</p> <p><u>The qualitative <b>locked-in emission</b> assessment seeks to ensure that these emissions were adequately considered by the undertaking in its <b>transition plan</b> - explaining how the magnitude of the <b>locked-in emissions</b> can potentially put at risk – or not - the eventual implementation of the climate mitigation transition plan.</u></p> <p><del>AR 3. When disclosing the information required under paragraph 16(d) the undertaking may consider:-</del></p> <p><del>(a) the cumulative <b>locked-in GHG emissions</b> associated with key assets from the reporting year until 2030 and 2050 in tCO<sub>2</sub>eq.</del></p>	<p><b>Amended</b></p> <p>This AR includes context and guidance for the disclosure of dependencies in relation to [14(c)]. The inclusion of the requirement to disclose information about dependencies on which the transition plan relies upon is aligned with IFRS S2.14(a)(iv). The first paragraph also reflects former [AR 3(c)].</p> <p>The second paragraph here in relation to the qualitative locked-in emission assessment simplifies former [AR 3(a)] and [AR 3(b)] and explains the purpose of the [14(c)].</p>

<p>estimated direct use-phase GHG emissions over their expected lifetime. This requirement only applies if the undertaking has identified the <b>Scope 3 category</b> “use of sold products” as significant under Disclosure Requirement E1-6 paragraph 51; and</p> <p>(c) an explanation of the plans to manage, i.e., to transform, decommission or phase out its GHG-intensive and energy-intensive assets and products.</p>	<p>This will be assessed as the sum of the estimated Scopes 1 and 2 GHG emissions over the operating lifetime of the active and firmly planned key assets. Key assets are those owned or controlled by the undertaking, and they consist of existing or planned assets (such as stationary or mobile <del>installations,</del> facilities, and equipment) that are sources of either significant direct or energy-indirect GHG emissions. Firmly planned key assets are those that the undertaking will most likely deploy within the next 5 years.</p> <p><del>(b) the cumulative locked-in GHG emissions associated with the direct use-phase GHG emissions of sold products in tCO<sub>2</sub>eq, assessed as the sales volume of products in the reporting year multiplied by the sum of estimated direct use-phase GHG emissions over their expected lifetime. This requirement only applies if the undertaking has identified the <b>Scope 3 category</b> “use of sold products” as significant under Disclosure Requirement E1-6 paragraph 51; and</del></p> <p><del>(c) an explanation of the plans to manage, i.e., to transform, decommission or phase out its GHG-intensive and energy-intensive assets and products.</del></p>	
	<p><u>AR 4. When explaining its progress in implementing the <b>transition plan</b>, the undertaking shall describe the deployment of <b>resources</b>, the <b>actions</b> taken and the <b>GHG emission reductions</b> achieved or expected to be achieved. Information on progress shall include, where appropriate, sector-specific <b>metrics</b> that can be used to track progress against specific climate <b>targets</b> the undertaking may have set, using recognised sectoral decarbonisation standards.</u></p>	<p><b>New</b></p> <p>This AR provides context and guidance for [14(c)].</p> <p>The inclusion of sector-specific metrics (where appropriate) was in response to information gathered from stakeholders to ensure metrics are decision-useful and relevant for users. This element was also deemed important with the loss of sector-specific standards.</p>
<p>AR 5. When disclosing the information required under paragraph 16 (f), the undertaking shall state whether or not it is excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) <sup>(46)</sup> and 12.2 of Commission</p>	<p><del>AR 5. When disclosing the information required under paragraph 16 (f), the undertaking shall state whether or not it is excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) <sup>(46)</sup> and 12.2 of</del></p>	<p><b>Deleted</b></p> <p>Refer rationale for deletion of the former [16(g)].</p>

Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation) <sup>(47)</sup> .	<del>Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation) <sup>(47)</sup>.</del>	
<b>Impact, risk and opportunities</b>		
<b>IRO 1 - Description of the processes to identify and assess material impacts, risks and opportunities</b>	<b>Disclosure Requirement E1-2 – Climate-related risks and scenario analysis</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
AR 9. When disclosing the information on the processes to identify and assess climate impacts as required under paragraph 20 (a), the undertaking shall explain how it has:	<del>AR 9. When disclosing the information on the processes to identify and assess climate impacts as required under paragraph 20 (a), the undertaking shall explain how it has:</del>	<b>Deleted</b> Deemed less important for the general purpose of reporting on this disclosure.
a. screened its activities and plans in order to identify actual and potential future GHG emission sources and, if applicable, drivers for other climate-related impacts (e.g., <b>emissions</b> of black carbon or tropospheric ozone or <b>land-use change</b> ) in own operations and along the value chain; and	<del>a. screened its activities and plans in order to identify actual and potential future GHG emission sources and, if applicable, drivers for other climate-related impacts (e.g., <b>emissions</b> of black carbon or tropospheric ozone or <b>land-use change</b>) in own operations and along the value chain; and</del>	<b>Deleted</b> Streamline purposes.
b. assessed its actual and potential impacts on climate change (i.e., its total GHG emissions).	<del>b. assessed its actual and potential impacts on climate change (i.e., its total GHG emissions).</del>	<b>Deleted</b> Streamline purposes.
AR 10. The undertaking may link the information disclosed under paragraphs 20 (a) and AR 9 to the information disclosed under the following Disclosure Requirements: Disclosure Requirement E1-1, paragraph 16 (d) on locked-in GHG emissions; Disclosure Requirement E1-4 and Disclosure Requirement E1-6.	<del>AR 10. The undertaking may link the information disclosed under paragraphs 20 (a) and AR 9 to the information disclosed under the following Disclosure Requirements: Disclosure Requirement E1-1, paragraph 16 (d) on locked-in GHG emissions; Disclosure Requirement E1-4 and Disclosure Requirement E1-6.</del>	<b>Deleted</b> Streamline purposes.
AR 11. When disclosing the information on the processes to identify and assess physical risks as required under paragraph 20 (b), the undertaking shall explain whether and how:	<del>AR 11. When disclosing the information on the processes to identify and assess physical risks as required under paragraph 20 (b), the undertaking shall explain whether and how:</del>  <u>AR 5. In conducting its <b>climate-related physical risk</b> analysis supported by <b>scenario analysis</b>, the undertaking shall:</u>	<b>Amended</b> Emphasized that climate-related physical risk analysis should be done by scenario analysis.

(a) it has identified climate-related hazards (see table below) over the short-, medium- and long-term and screened whether its assets and business activities may be exposed to these hazards;	(a) <del>it has identified</del> <b>climate-related hazards</b> (see table below) over the short, medium and long term and screened whether its assets and business activities <del>may</del> <b>be</b> <u>are</u> exposed to these hazards;	<b>Amended</b> Slight change in wording to be less prescriptive and to remove the reference to table, since it has been deleted.
(b) it has defined short-, medium- and long-term time horizons and how these definitions are linked to the expected lifetime of its assets, strategic planning horizons and capital allocation plans;	<del>(b) it has defined short-, medium- and long-term time horizons and how these definitions are linked to the expected lifetime of its assets, strategic planning horizons and capital allocation plans;</del>	<b>Deleted</b> Deleted to reflect the low disclosure practices revealed by information gathering from stakeholders.
(c) it has assessed the extent to which its assets and business activities may be exposed and are sensitive to the identified climate-related hazards, taking into consideration the likelihood, magnitude and duration of the hazards as well as the geospatial coordinates (such as Nomenclature of Territorial Units of Statistics- NUTS for the EU territory) specific to the undertaking's locations and supply chains ; and	<del>(c) (b) it has assessed</del> the extent to which its assets and business activities <del>may be</del> <b>are</b> exposed and are sensitive to the identified climate-related hazards, taking into consideration the likelihood, magnitude and duration of the hazards as well as the geospatial coordinates <del>(such as Nomenclature of Territorial Units of Statistics- NUTS for the EU territory)</del> specific to its locations and <b>supply chains</b> ; and	<b>Amended</b> Slight change in language to be less prescriptive. The example of geospatial coordinates was removed from the revised paragraph to provide flexibility, while retaining the requirement to consider location-specific factors in assessing exposure and sensitivity to climate-related hazards.
(d) the identification of climate-related hazards and the assessment of exposure and sensitivity are informed by high emissions climate scenarios , which may, for example, be based on IPCC SSP5-8.5, relevant regional climate projections based on these emission scenarios, or NGFS (Network for Greening the Financial System) climate scenarios with high physical risk such as “Hot house world” or “Too little, too late”. For general requirements regarding climate-related scenario analysis see paragraphs 18, 19, AR 13 to AR 15. [table: Classification of climate-related hazards]	<del>(d) (c) base their analysis on at least one the identification of climate-related hazards and the assessment of exposure and sensitivity are informed by high-emission climate scenario, which may, for example, be based on IPCC SSP5-8.5, relevant regional climate projections based on these emission scenarios, or NGFS (Network for Greening the Financial System) climate scenarios with high physical risk such as “Hot house world” or “Too little, too late”. For general requirements regarding climate-related scenario analysis see paragraphs 18, 19, AR 13 to AR 15. [table: Classification of climate-related hazards]</del>	<b>Amended</b> Information gathering from stakeholders led to the suggestion of removing references to specific climate scenarios as it is inapplicable to certain companies.
AR 12. When disclosing the information on the processes to identify transition risks and opportunities	<del>AR 12. When disclosing the information on the processes to identify transition risks and opportunities as required under</del>	<b>Amended</b>

as required under paragraph 20 (c), the undertaking shall explain whether and how it has:	<del>paragraph 20 (c), the undertaking shall explain whether and how it has:</del> AR 6. In conducting its <b>climate-related transition risk</b> analysis, the undertaking shall:	Amended to simplify and clarify the wording.
(a) identify transition events (see the table with examples below) over the short-, medium- and long-term and screen whether its assets and business activities may be exposed to these events. In case of transition risks and opportunities, what is considered long-term may cover more than 10 years and may be aligned with climate-related public policy goals;	<del>(a) identified transition events (see the table with examples below) over the short, medium and long term and screened whether its assets and business activities may be are exposed to these events; In case of transition risks and opportunities, what is considered long-term may cover more than 10 years and may be aligned with climate-related public policy goals;</del>	<b>Amended</b> Amended to simplify and clarify the wording.
(b) assessed the extent to which its assets and business activities may be exposed and are sensitive to the identified transition events, taking into consideration the likelihood, magnitude and duration of the transition events;	(b) assess the extent to which its assets and business activities <del>may be</del> are exposed and are sensitive to the identified transition events, taking into account the likelihood, magnitude and duration of the transition events; and	<b>Amended</b> Reflects slight changes in language to be less prescriptive.
(c) informed the identification of transition events and the assessment of exposure by climate-related scenario analysis, considering at least a scenario consistent with the Paris Agreement and limiting climate change to 1.5°C, for example, based on scenarios of the International Energy Agency (Net zero Emissions by 2050, Sustainable Development Scenario, etc.), or NGFS (Network for Greening the Financial System) climate scenarios. For the general requirements related to climate-related scenario analysis see paragraphs 18, 19, AR 13 to AR 15; and	<del>(c) informed the identification of transition events and the assessment of exposure by climate-related scenario analysis, considering at least a scenario consistent with the Paris Agreement and limiting climate change to 1.5°C, for example, based on scenarios of the International Energy Agency (Net zero Emissions by 2050, Sustainable Development Scenario, etc.), or NGFS (Network for Greening the Financial System) climate scenarios. For the general requirements related to climate-related scenario analysis see paragraphs 18, 19, AR 13 to AR 15; and</del> <u>(c) base its analysis on at least a climate <b>scenario</b> in line with limiting global warming to 1.5°C with no, or limited, overshooting.</u>	<b>Amended</b> Amended to simplify and clarify the wording.

(d) identified assets and business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy (for example, due to significant locked-in GHG emissions or incompatibility with the requirements for Taxonomy-alignment under Commission Delegated Regulation (EU) 2021/2139). [Examples of climate-related transition events (examples based on TCFD classification)]	<del>(d) identified assets and business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy (for example, due to significant locked-in GHG emissions or incompatibility with the requirements for Taxonomy-alignment under Commission Delegated Regulation (EU) 2021/2139). [Examples of climate-related transition events (examples based on TCFD classification)]</del>	<b>Deleted</b> Amended to simplify and clarify the wording.
<b><i>Climate-related scenario analysis</i></b>  AR 13. When disclosing the information required under paragraphs 19, 20, 21, AR 10 and AR 11, the undertaking shall explain how it has used climate-related <b>scenario analysis</b> that is commensurate to its circumstances to inform the identification and assessment of <b>physical</b> and <b>transition risks</b> and <b>opportunities</b> over the short-, medium- and long-term, including:	<del><b><i>Climate-related scenario analysis</i></b>  AR 13. When disclosing the information required under paragraphs 19, 20, 21, AR 10 and AR 11, the undertaking shall explain how it has used climate-related <b>scenario analysis</b> that is commensurate to its circumstances to inform the identification and assessment of <b>physical</b> and <b>transition risks</b> and <b>opportunities</b> over the short-, medium- and long-term, including:</del>	<b>Deleted</b> Deleted for reduction purposes.
a. which <b>scenarios</b> were used, their sources and alignment with state-of-the-art science;	<del>a. which <b>scenarios</b> were used, their sources and alignment with state-of-the-art science;</del>	<b>Deleted</b> Deleted for reduction purposes.
b. narratives, time horizons, and endpoints used with a discussion of why it believes the range of scenarios used covers its plausible risks and uncertainties;	<del>b. narratives, time horizons, and endpoints used with a discussion of why it believes the range of scenarios used covers its plausible risks and uncertainties;</del>	<b>Deleted</b> Deleted for reduction purposes.
a. the key forces and drivers taken into consideration in each scenario and why these are relevant to the undertaking, for example, <b>policy</b> assumptions, macroeconomic trends, energy usage and mix, and technology assumptions; and	<del>c. the key forces and drivers taken into consideration in each scenario and why these are relevant to the undertaking, for example, <b>policy</b> assumptions, macroeconomic trends, energy usage and mix, and technology assumptions; and</del>	<b>Amended</b> Moved to [19].  To ensure closer alignment with the related disclosure requirement.



(a) d. key inputs and constraints of the scenarios, including their level of detail (e.g., whether the analysis of physical climate-related risks is based on geospatial coordinates specific to the undertaking's locations or national- or regional-level broad data).	<del>d. key inputs and constraints of the scenarios, including their level of detail (e.g., whether the analysis of physical climate-related risks is based on geospatial coordinates specific to the undertaking's locations or national- or regional-level broad data).</del>	<b>Moved</b> Moved to [19].  To ensure closer alignment with the related disclosure requirement.
	<b>Application Requirements:</b> <u>AR 7. The quantification of the exposure of assets and business activities to material climate-related <i>risks</i> is required under DR E1-11 on <i>anticipated financial effects</i>.</u>	<b>New</b> Added to avoid any confusion that E1-2 focuses on the qualitative description and the actual quantification is required under E1-11.
<b>Strategy</b>		
<b>SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model</b>	<b><u>E1-3 - Resilience in relation to climate change</u></b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
AR6. When disclosing the information on the scope of the resilience analysis as required under paragraph 19 (a), the undertaking shall explain which part of its own operations and upstream and downstream value chain as well as which material physical risks and transition risks may have been excluded from the analysis.	<del>AR6. When disclosing the information on the scope of the resilience analysis as required under paragraph 19 (a), the undertaking shall explain which part of its own operations and upstream and downstream value chain as well as which material physical risks and transition risks may have been excluded from the analysis.</del>	<b>Deleted</b> Deleted for reduction purposes.
AR7. When disclosing the information on how the resilience analysis has been conducted as required under paragraph 19 (b), the undertaking shall explain:	<del>AR7. When disclosing the information on how the resilience analysis has been conducted as required under paragraph 19 (b), the undertaking shall explain:</del>	<b>Deleted</b> Deleted for reduction purposes.
(a) the critical assumptions about how the transition to a lower-carbon and resilient economy will affect its surrounding macroeconomic trends, energy	<del>(a) the critical assumptions about how the transition to a lower-carbon and resilient economy will affect its surrounding macroeconomic trends, energy consumption and mix, and technology deployment assumptions;</del>	<b>Deleted</b> Deleted for reduction purposes.

consumption and mix, and technology deployment assumptions;		
(b) the time horizons applied and their alignment with the climate and business scenarios considered for determining material physical and transition risks (paragraphs AR 11 to AR 12) and setting GHG emissions reduction targets (reported under Disclosure Requirement E1-4); and	<del>(b) the time horizons applied and their alignment with the climate and business scenarios considered for determining material physical and transition risks (paragraphs AR 11 to AR 12) and setting GHG emissions reduction targets (reported under Disclosure Requirement E1-4); and</del>	<b>Deleted</b> Deleted for reduction purposes.
(c) how the estimated anticipated financial effects from material physical and transition risks (as required by Disclosure Requirement E1-9) as well as the mitigation actions and resources (disclosed under Disclosure Requirement E1-3) were considered.	<del>(c) how the estimated anticipated financial effects from material physical and transition risks (as required by Disclosure Requirement E1-9) as well as the mitigation actions and resources (disclosed under Disclosure Requirement E1-3) were considered.</del>	<b>Deleted</b> Deleted for reduction purposes.
	<b>Application Requirements</b> <u>AR 8. When performing a qualitative <i>scenario analysis</i>, the undertaking shall consider the implications of the combined assessments performed according to DRs E1-2 (with its assessment of the exposure to different climate hazards and transition events) and E1-11 (<i>anticipated financial effects</i>) for its strategy and <i>business model</i>, including <i>actions</i> required to respond to the climate-related <i>risks</i> and <i>opportunities</i> identified through scenario analysis.</u>	<b>New</b> Information gathering from stakeholders led to the introduction of the exposure to climate hazards between scenario and AFE.  Partial alignment with IFRS S2.22(a)
AR 8. When disclosing the information on the results of the resilience analysis as required under paragraph 19 (c), the undertaking shall explain:	<b>Application Requirements</b> <del>AR 8.</del> <u>AR 9. When disclosing the information on the results and implications of the its resilience analysis according to paragraph 21(a), as required under paragraph 19 (c), the undertaking shall explain provide its assessment of its <i>climate resilience</i> as at the reporting date.</u>	<b>Moved</b> Amended The ARs have been reorganised, former [AR 8] was replaced by [AR 9] and [AR 10] and a portion was moved to [21(b)]  Alignment with IFRS S2.22(a)
a) the areas of uncertainties of the resilience analysis and to what extent the assets and business activities at risk are considered within the definition of the undertaking's strategy,	<del>a) the areas of uncertainties of the resilience analysis and to what extent the assets and business activities at risk are considered within the definition of the undertaking's strategy, investment decisions, and current and planned mitigation <i>actions</i>;</del>	<b>Amended</b> Former [AR 8(a)] on areas of uncertainties was streamlined and moved to [21(b)] as the AR has been reorganized to have alignment with IFRS S2.22(a).

investment decisions, and current and planned mitigation actions;		
b) the ability of the undertaking to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term, including securing ongoing access to finance at an affordable cost of capital, the ability to redeploy, upgrade or decommission existing assets, shifting its products and services portfolio, or reskilling its workforce.	<p>AR 10. When disclosing on its capacity <del>the ability of the undertaking to adjust or adapt its strategy and</del> <b>business model</b> according to paragraph 21(c), the undertaking shall consider:</p> <p>(a) <u>the availability and flexibility of existing financial <b>resources</b> to manage financial <b>impacts</b> of climate-related <b>risks</b> and to capitalise on <b>climate-related opportunities</b>;</u></p> <p>(b) <del>the its ability to redeploy, <b>repurpose</b>, upgrade or decommission existing assets shifting its products and services portfolio, or reskilling its workforce.</del> in response to climate-related changes;</p> <p>(c) <u>the effects of current and planned investments in climate mitigation, adaptation and transition <b>opportunities</b> on <b>climate resilience</b> enhancement.</u></p>	<p><b>Amended</b></p> <p>Amended for stronger alignment with IFRS S2.22(a).</p>
<b>Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation</b>	<b>Disclosure Requirement E1-4 – Policies related to climate change</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
AR 16. <b>Policies</b> related to either <b>climate change mitigation</b> or <b>climate adaptation</b> may be disclosed separately as their objectives, people involved, <b>actions</b> and resources needed to implement them are different.	<p>AR 16. <del><b>Policies</b> related to either <b>climate change mitigation</b> or <b>climate adaptation</b> may be disclosed separately as their objectives, people involved, <b>actions</b> and resources needed to implement them are different.</del></p>	<p><b>Deleted</b></p> <p>Information gathering from Q&amp;A (ID 762) and public outreach highlighted that it remains unclear whether cross-cutting policies should be repeated under each topical ESRS. They also note that duplicating the same information is inefficient, especially as sustainability policies often span E, S, and G topics. Clarification is necessary in this context to ensure that cross-referencing is permitted. Clarification on ESRS 2 [61]. As such this is redundant.</p> <p>Suggestion to delete as it does not align with the current phrasing of GDR-P.</p>

AR 17. <b>Policies</b> related to <b>climate change mitigation</b> address the management of the undertaking's <b>GHG emissions</b> , GHG removals and <b>transition risks</b> over different time horizons, in its own operations and/or in the upstream and downstream <b>value chain</b> . The requirement under paragraph 22 may relate to stand-alone climate change mitigation policies as well as relevant policies on other matters that indirectly support climate change mitigation including <b>training</b> policies, procurement or <b>supply chain</b> policies, investment policies or product development policies.	AR 17. <del>Policies</del> related to <del>climate change mitigation</del> address the management of the undertaking's <b>GHG emissions</b> , GHG removals and <del>transition risks</del> over different time horizons, in its own operations and/or in the upstream and downstream <b>value chain</b> . The requirement under paragraph 22 may relate to stand-alone climate change mitigation policies as well as relevant policies on other matters that indirectly support climate change mitigation including <del>training</del> policies, procurement or <del>supply chain</del> policies, investment policies or product development policies.	<b>Moved</b> Deleted from mandatory content and moved to NMIG. Helpful guidance to understand what the DR is about.
AR 18. <b>Policies</b> related to <b>climate change adaptation</b> address the management of the undertaking's physical climate risks and of its <b>transition risks</b> related to climate change adaptation. The requirement under paragraphs 22 and 25 may relate to stand-alone climate change adaptation policies as well as relevant policies on other matters that indirectly support climate change adaptation including <b>training</b> policies, and emergency or health and safety policies.	AR 18. <del>Policies</del> related to <del>climate change adaptation</del> address the management of the undertaking's physical climate risks and of its <del>transition risks</del> related to climate change adaptation. The requirement under paragraphs 22 and 25 may relate to stand-alone climate change adaptation policies as well as relevant policies on other matters that indirectly support climate change adaptation including <del>training</del> policies, and emergency or health and safety policies	<b>Deleted</b> As per [AR 15].
<b>Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies</b>	<b>Disclosure Requirement E1-5 – Actions and resources in relation to climate change</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 Climate change</b>	
AR 19. When disclosing the information on actions as required under paragraphs 29 (a) and 29 (b), the undertaking may:	AR 19. When disclosing the information on actions as required under paragraphs 29 (a) and 29 (b), the undertaking may:-	<b>Deleted</b> Due to streamline purposes.
a. disclose its key actions taken and/or plans to implement climate change mitigation and adaptation policies in its single or separate actions;	a. <del>disclose its key actions taken and/or plans to implement climate change mitigation and adaptation policies in its single or separate actions;</del>	<b>Deleted</b> Due to streamline purposes.

b. aggregate types of mitigation actions (decarbonisation levers) such as energy efficiency, electrification, fuel switching, use of renewable energy, products change, and supply-chain decarbonisation that fit the undertakings' specific actions;	<del>b. aggregate types of mitigation actions (decarbonisation levers) such as energy efficiency, electrification, fuel switching, use of renewable energy, products change, and supply-chain decarbonisation that fit the undertakings' specific actions;</del>	<b>Deleted</b> Due to streamline purposes.
c. disclose the list of key mitigation actions alongside the measurable targets (as required by Disclosure Requirement E1-4) with disaggregation by decarbonisation levers; and	<del>c. disclose the list of key mitigation actions alongside the measurable targets (as required by Disclosure Requirement E1-4) with disaggregation by decarbonisation levers; and</del>	<b>Deleted</b> Due to streamline purposes.
d. disclose the climate change adaptation actions by type of adaptation solution such as nature-based adaptation, engineering, or technological solutions.	<del>d. disclose the climate change adaptation actions by type of adaptation solution such as nature-based adaptation, engineering, or technological solutions.</del>	<b>Deleted</b> Due to streamline purposes.
AR 20. When disclosing the information on resources as required under paragraph 29 (c), the undertaking shall only disclose the significant OpEx and CapEx amounts required for the implementation of the actions as the purpose of this information is to demonstrate the credibility of its actions rather than to reconcile the disclosed amounts to the financial statements. The disclosed CapEx and OpEx amounts shall be the additions made to both tangible and intangible assets during the current financial year as well as the planned additions for future periods of implementing the actions. The disclosed amounts shall only be the incremental financial investments directly contributing to the achievement of the undertaking's targets.	<del>AR 20. When disclosing the information on resources as required under paragraph 29 (c), the undertaking shall only disclose the significant OpEx and CapEx amounts required for the implementation of the actions as the purpose of this information is to demonstrate the credibility of its actions rather than to reconcile the disclosed amounts to the financial statements. The disclosed CapEx and OpEx amounts shall be the additions made to both tangible and intangible assets during the current financial year as well as the planned additions for future periods of implementing the actions. The disclosed amounts shall only be the incremental financial investments directly contributing to the achievement of the undertaking's targets.</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG.  Requiring incremental investment is methodologically complex and no methodology is provided; it is more straightforward to just calculate all investment.  Stakeholders pointed to the need for clarification/ More guidance  Feedback received indicated that without clear CapEx/OpEx classification, it becomes harder for auditors / stakeholders to verify consistency with financial statements or taxonomy-aligned KPIs), CapEx and OpEx distinctions are also critical for understanding short- vs. long-term commitments.  To increase credibility and support decision-usefulness transition plans should be backed by financial resources. A Disclosure Requirement similar to [29(c)], along with an Application Requirement akin to AR 19, should therefore be retained. The rationale for deleting [AR

		19], based on limited comments and the claim that CapEx/OpEx are no longer key in MDR-A, is not supported, as financial aspects remain central to effective disclosure.
AR 21. In line with the requirements of ESRS 2 MDR-A, the undertaking shall explain if and to what extent its ability to implement the actions depends on the availability and allocation of resources. Ongoing access to finance at an affordable cost of capital can be critical for the implementation of the undertaking's actions, which include its adjustments to supply/demand changes or its related acquisitions and significant research and development (R&D) investments.	<del>AR 21. In line with the requirements of ESRS 2 MDR-A, the undertaking shall explain if and to what extent its ability to implement the actions depends on the availability and allocation of resources. Ongoing access to finance at an affordable cost of capital can be critical for the implementation of the undertaking's actions, which include its adjustments to supply/demand changes or its related acquisitions and significant research and development (R&amp;D) investments.</del>	<b>Deleted</b> Evidence gathering revealed concerns over the significant effort involved in collecting and disaggregating data that was ultimately found to be immaterial. Suggestions were received to Modify into methodology to address company concerns. To the extent dependencies on availability of resources exist for actions associated with the transition plan, this can be disclosed in E1-1 para. 14(c).
AR 22. The amounts of OpEx and CapEx required for the implementation of the actions disclosed under paragraph 29 (c) shall be consistent with the key performance indicators (CapEx and OpEx key performance indicators) and, if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178. The undertaking shall explain any potential differences between the significant OpEx and CapEx amounts disclosed under this Standard and the key performance indicators disclosed under Commission Delegated Regulation (EU) 2021/2178 due to, for instance, the disclosure of non-eligible economic activities as defined in that delegated regulation. The undertaking may structure its actions by economic activity to compare its OpEx and CapEx, and if applicable its OpEx and/or CapEx plans to its Taxonomy-aligned key performance indicators.	<del>AR 22. The amounts of OpEx and CapEx required for the implementation of the actions disclosed under paragraph 29 (c) shall be consistent with the key performance indicators (CapEx and OpEx key performance indicators) and, if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178. The undertaking shall explain any potential differences between the significant OpEx and CapEx amounts disclosed under this Standard and the key performance indicators disclosed under Commission Delegated Regulation (EU) 2021/2178 due to, for instance, the disclosure of non-eligible economic activities as defined in that delegated regulation. The undertaking may structure its actions by economic activity to compare its OpEx and CapEx, and if applicable its OpEx and/or CapEx plans to its Taxonomy-aligned key performance indicators.</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG.
<b>Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation</b>	<b>Disclosure Requirement E1-6 – Targets related to climate change</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	

	AR 11. The <b>GHG emission reduction targets</b> shall be gross targets, meaning that the undertaking shall not include GHG removals, <b>carbon credits</b> or avoided emissions as a means of achieving the GHG emission reduction targets.	<b>New</b> To be consistent with E1-9.
AR 23. Under paragraph 34 (a), the undertaking may disclose GHG emission reduction targets in intensity value. Intensity targets are formulated as ratios of GHG emissions relative to a unit of physical activity or economic output. Relevant units of activity or output are referred to in ESRS sector-specific standards. In cases where the undertaking has only set a GHG intensity reduction target, it shall nevertheless disclose the associated absolute values for the target year and interim target year(s). This may result in a situation where an undertaking is required to disclose an increase of absolute GHG emissions for the target year and interim target year(s), for example because it anticipates organic growth of its business.	<del>AR 23.</del> AR 12. Under paragraph 26(a) <del>34 (a)</del> , the undertaking <del>may</del> can disclose <b>GHG emission reduction targets</b> in intensity value. Intensity targets are formulated as ratios of <b>GHG emissions</b> relative to a unit of physical activity or economic output. <del>Relevant units of activity or output are referred to in ESRS sector-specific standards.</del> In cases where the undertaking has only set a GHG intensity reduction target, it shall nevertheless disclose the associated absolute values for the target year and interim target year(s). This may result in a situation where the undertaking is required to disclose an increase of absolute GHG emissions for the target year and interim target year(s), e.g. because it anticipates organic growth of its business.	<b>Amended</b>  As the disclosure on absolute targets has been kept, a precision was added on banks as requested in the public survey.  The requirement of translation of intensity targets into absolute values was a subject of extensive feedback and discussion. Many stakeholders indicated the need to always translate the intensity targets in line with the need of Paris Agreement and transparency related to it. At the same time, feedback received revealed substantial concern related to disclosing business sensitive information (e.g. production targets) which may result from such translation. Specific feedback received on that matter involved the views of financial institutions, underlining that disclosures of absolute targets are not relevant to their activity and will not constitute a credible representation of their business emissions into the atmosphere.  This exemption of banks will be submitted to public consultation along with an explanation of why banks believe absolute targets are not relevant for them.
AR 24 When disclosing the information required under paragraph 34 (b), the undertaking shall specify the share of the target related to each respective GHG emission Scope (1, 2 or 3). The undertaking shall state the method used to calculate Scope 2 GHG emissions included in the target (i.e., either the location-based or market-based method). If the boundary of the GHG emission reduction target diverges from that of the	<del>AR 24 When disclosing the information required under paragraph 34 (b), the undertaking shall specify the share of the target related to each respective GHG emission Scope (1, 2 or 3). The undertaking shall state the method used to calculate Scope 2 GHG emissions included in the target (i.e., either the location-based or market-based method). If the boundary of the GHG emission reduction target diverges from that of the GHG emissions reported under Disclosure Requirement E1-6, the undertaking shall disclose which gases are covered, the respective percentage</del>	<b>Moved</b>  Moved to [26(b)] as it is a datapoint.

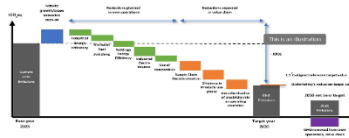
GHG emissions reported under Disclosure Requirement E1-6, the undertaking shall disclose which gases are covered, the respective percentage of Scope 1, 2, 3 and total GHG emissions covered by the target. For the GHG emission reduction targets of its subsidiaries, the undertaking shall analogously apply these requirements at the level of the subsidiary.	<del>of Scope 1, 2, 3 and total GHG emissions covered by the target. For the GHG emission reduction targets of its subsidiaries, the undertaking shall analogously apply these requirements at the level of the subsidiary.</del>	
AR 25. When disclosing the information required under paragraph 34(c) on base year and baseline value:	<b>Application Requirement</b> <del>AR 25. When disclosing the information required under paragraph 34(c) on base year and baseline value:</del> <u>AR 13. When applying [Draft] Amended GDR-T (base year and target year, baseline value and target year values):</u>	<b>Amended</b> Amended to simplify the wording.
a.the undertaking shall briefly explain how it has ensured that the baseline value against which the progress towards the target is measured is representative in terms of the activities covered and the influences from external factors (e.g., temperature anomalies in a certain year influencing the amount of energy consumption and related GHG emissions). This can be done by the normalisation of the baseline value, or, by using a baseline value that is derived from a 3-year average if this increases the representativeness and allows a more faithful representation;	<del>a.the undertaking shall briefly explain how it has ensured that the baseline value against which the progress towards the target is measured is representative in terms of the activities covered and the influences from external factors (e.g., temperature anomalies in a certain year influencing the amount of energy consumption and related GHG emissions). This can be done by the normalisation of the baseline value, or, by using a baseline value that is derived from a 3-year average if this increases the representativeness and allows a more faithful representation;</del>	<b>Delete</b> Deleted as low disclosure practice.
b.the baseline value and base year shall not be changed unless significant changes in either the target or reporting boundary occur. In such a case, the undertaking shall explain how the new baseline value affects the new target, its achievement and presentation of progress over time. To foster comparability, when setting new <b>targets</b> , the undertaking shall select a recent base year that does not precede the first reporting year of the new target period by longer than 3 years. For example, for 2030 as the target year and a target period between 2025	<del>b. (a) the baseline value and base year shall not be changed unless significant <u>key</u> changes in either the <b>target</b> or reporting boundary occur; and In such a case, the undertaking shall explain how the new baseline value affects the new target, its achievement and presentation of progress over time. To foster comparability, when setting new <b>targets</b>, the undertaking shall select a recent base year that does not precede the first reporting year of the new target period by longer than 3 years. For example, for 2030 as the target year and a target period between 2025 and 2030, the base year shall be selected from the period between 2022 and 2025;</del>	<b>Amended</b> Deleted as low disclosure practice.



and 2030, the base year shall be selected from the period between 2022 and 2025;		
c.the undertaking shall update its base year from 2030 and after every 5-year period thereafter. This means that before 2030, the base years chosen by undertakings' may be either the currently applied base year for existing targets or the first year of application of the sustainability reporting requirements as set out in Article 5(2) of Directive (EU) 2022/2464 (2024, 2025 or 2026) and, after 2030, every 5 years (2030, 2035, etc.); and	<p><del>e.the undertaking shall update its base year from 2030 and after every 5-year period thereafter. This means that before 2030, the base years chosen by undertakings' may be either the currently applied base year for existing targets or the first year of application of the sustainability reporting requirements as set out in Article 5(2) of Directive (EU) 2022/2464 (2024, 2025 or 2026) and, after 2030, every 5 years (2030, 2035, etc); and</del></p> <p><u>(b) the undertaking is to select a recent base year that does not precede the first reporting year of the new target period by longer than three years. Before 2030, the base year chosen by the undertaking may be either the currently applied base year for existing <b>targets</b> or the first year of application of the sustainability reporting requirements.</u></p>	<p><b>Amended</b></p> <p>Amended to provide more flexibility as requested by stakeholders.</p>
d. when presenting climate-related targets, the undertaking may disclose the progress in meeting these targets made before its current base year. In doing so, the undertaking shall, to the greatest extent possible, ensure that the information on past progress is consistent with the requirements of this Standard. In the case of methodological differences, for example, regarding target boundaries, the undertaking shall provide a brief explanation for these differences.	<p><del>d. when presenting climate-related targets, the undertaking may disclose the progress in meeting these targets made before its current base year. In doing so, the undertaking shall, to the greatest extent possible, ensure that the information on past progress is consistent with the requirements of this Standard. In the case of methodological differences, for example, regarding target boundaries, the undertaking shall provide a brief explanation for these differences.</del></p>	<p><b>Amended</b></p> <p>Deleted as low disclosure practice.</p>
	<p><u>AR 15. The undertaking reporting under DR E1-8 using an operational control boundary can report Scope 1 and Scope 2 <b>GHG emission reduction targets</b> referring to this organisational boundary.</u></p>	<p><b>New</b></p> <p>New AR to specify the reporting boundary.</p>
AR 26. When disclosing the information required under paragraphs 34 (d) and 34 (e), the undertaking shall present the information over the target period with reference to a sector- specific, if available, or a cross-	<p><b>Application Requirement</b></p> <p><del>AR26: AR 16. When disclosing the information required under paragraph 26(c), 34 (d) and 34 (e), the undertaking shall compare its target value(s) with</del> <u>present the information over the target</u></p>	<p><b>Amended</b></p> <p>Simplification through editorial changes.</p>

sector emission pathway compatible with limiting global warming to 1.5°C. For this purpose, the undertaking shall calculate a 1.5°C aligned reference target value for Scope 1 and 2 (and, if applicable, a separate one for Scope 3) against which its own GHG <b>emission reduction targets</b> or interim targets in the respective Scopes can be compared.	<del>period with reference to</del> a sector- specific (if available) or a cross-sector emission pathway compatible with limiting global warming to 1.5°C. For this purpose, the undertaking shall calculate a 1.5°C-aligned reference target value for Scope 1 and 2 (and, if applicable, a separate one for Scope 3, if it has Scope 3 <b>GHG emissions reduction targets</b> ) against which its own GHG emission reduction targets or interim targets in the respective Scopes can be compared.	
AR 27. The reference target value may be calculated by multiplying the GHG <b>emissions</b> in the base year with either a sector-specific (sectoral decarbonisation methodology) or cross-sector (contraction methodology) <b>emission reduction</b> factor. These emission reduction factors can be derived from different sources. The undertaking should ensure that the source used is based on an emission reduction pathway compatible with limiting global warming to 1.5°C.	<del>AR 27. The reference target value may be calculated by multiplying the GHG <b>emissions</b> in the base year with either a sector-specific (sectoral decarbonisation methodology) or cross-sector (contraction methodology) <b>emission reduction</b> factor. These emission reduction factors can be derived from different sources. The undertaking should ensure that the source used is based on an emission reduction pathway compatible with limiting global warming to 1.5°C.</del>	<b>Deleted</b> Deleted for reduction purpose.
AR 28. The <b>emission reduction</b> factors are subject to further development. Consequently, undertakings are encouraged to only use updated publicly available information.	<del>AR 28. The <b>emission reduction</b> factors are subject to further development. Consequently, undertakings are encouraged to only use updated publicly available information.</del>	<b>Deleted</b> Deleted for reduction purpose.
AR 29. The reference target value is dependent on the base year and baseline emissions of the undertaking's GHG emission reduction target. As a result, the reference target value for undertakings with a recent base year or from higher baseline emissions may be less challenging to achieve than it will be for undertakings that have already taken ambitious past actions to reduce GHG emissions. Therefore, undertakings that have in the past achieved GHG emissions reductions compatible with either a 1.5°C-aligned cross-sector or sector-specific pathway, may adjust their baseline emissions accordingly to determine the reference target value. Accordingly, if the undertaking is adjusting the baseline emissions to determine the reference target	<del>AR 29. The reference target value is dependent on the base year and baseline emissions of the undertaking's GHG emission reduction target. As a result, the reference target value for undertakings with a recent base year or from higher baseline emissions may be less challenging to achieve than it will be for undertakings that have already taken ambitious past actions to reduce GHG emissions. Therefore, undertakings that have in the past achieved GHG emissions reductions compatible with either a 1.5°C-aligned cross-sector or sector-specific pathway, may adjust their baseline emissions accordingly to determine the reference target value. Accordingly, if the undertaking is adjusting the baseline emissions to determine the reference target value, it shall not consider GHG emission reductions that precede the year 2020</del>	<b>Deleted</b> Deleted for reduction purpose.

value, it shall not consider GHG emission reductions that precede the year 2020 and it shall provide appropriate evidence of its past achieved GHG emission reduction.	<del>and it shall provide appropriate evidence of its past achieved GHG emission reduction.</del>	
AR 30. When disclosing the information required under paragraph 34 (f), the undertaking shall explain:	AR 30. When disclosing the information required under paragraph 34 (f), the undertaking shall explain:	<b>Deleted</b> Deleted for reduction purpose.
(a) by reference to its climate change mitigation actions, the decarbonisation levers and their estimated quantitative contributions to the achievement of its GHG emission reduction targets broken down by each Scope (1, 2 and 3);	<del>(a) by reference to its climate change mitigation actions, the decarbonisation levers and their estimated quantitative contributions to the achievement of its GHG emission reduction targets broken down by each Scope (1, 2 and 3);</del>	<b>Moved</b> Moved to [AR 14]
(b) whether it plans to adopt new technologies and the role of these to achieve its GHG emission reduction targets; and	<del>(b) whether it plans to adopt new technologies and the role of these to achieve its GHG emission reduction targets; and</del>	<b>Deleted</b> Deleted for reduction purpose.
(c) whether and how it has considered a diverse range of climate scenarios, at least including a climate scenario compatible with limiting global warming to 1.5°C, to detect relevant environmental-, societal-, technology-, market- and policy-related developments and determine its decarbonisation levers.	<del>(c) whether and how it has considered a diverse range of climate scenarios, at least including a climate scenario compatible with limiting global warming to 1.5°C, to detect relevant environmental-, societal-, technology-, market- and policy-related developments and determine its decarbonisation levers.</del>	<b>Deleted</b> Deleted for reduction purpose.
AR 31. The undertaking may present its GHG <b>emission reduction targets</b> together with its <b>climate change mitigation actions</b> (see paragraph AR 19) as a table or graphical pathway showing developments over time. The following figure and table provide examples combining targets and decarbonisation levers:  [graphics]  [table]	<del>AR 31. AR 14.</del> The undertaking may present its <b>GHG emission reduction targets</b> together with its <b>climate change mitigation actions</b> (see paragraph 24) as a table or graphical pathway showing developments over time. The following figure and table provide examples combining targets and decarbonisation levers: showing the <b>decarbonisation levers</b> and their quantitative contributions to achieve the GHG emission reduction targets (e.g. energy or material efficiency and consumption reduction, fuel switching, use of <b>renewable energy</b> , phase-out or substitution of product and process):	<b>Amended</b> Amended to simplify the wording. Kept as requested by stakeholders.

	<div>(a) as a list of key decarbonisation levers with disaggregation by key climate change mitigation actions (see, e.g. Figure 2); or</div> <div>(b) as a table (see, e.g. Figure 2) or graphic over time (see, e.g. Figure 1).</div> <div></div> <div>Figure 1: [Draft] Amended ESRS E1 – Graphic 1</div> <div><table><tr><th></th><th>Base case (2020-2030)</th><th>2030 target</th><th>2040 target</th><th>2050 target</th></tr><tr><td>GHG emissions (all CO<sub>2</sub>e)</td><td>100</td><td>60</td><td>40</td><td>20</td></tr><tr><td>Energy efficiency and conservation measures</td><td>-</td><td>-10</td><td>-4</td><td>-</td></tr><tr><td>Material efficiency and conservation measures</td><td>-</td><td>-5</td><td>-</td><td>-</td></tr><tr><td>Fuel switching</td><td>-</td><td>-2</td><td>-</td><td>-</td></tr><tr><td>Decarbonisation</td><td>-</td><td>-</td><td>-10</td><td>-</td></tr><tr><td>Use of renewable energy</td><td>-</td><td>-10</td><td>-3</td><td>-</td></tr><tr><td>Process substitution or modification of products</td><td>-</td><td>-6</td><td>-</td><td>-</td></tr><tr><td>Process substitution or modification of process</td><td>-</td><td>-5</td><td>-5</td><td>-</td></tr><tr><td>Other</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table></div> <div>Figure 2: ESRS E1 – Table 1</div>		Base case (2020-2030)	2030 target	2040 target	2050 target	GHG emissions (all CO <sub>2</sub> e)	100	60	40	20	Energy efficiency and conservation measures	-	-10	-4	-	Material efficiency and conservation measures	-	-5	-	-	Fuel switching	-	-2	-	-	Decarbonisation	-	-	-10	-	Use of renewable energy	-	-10	-3	-	Process substitution or modification of products	-	-6	-	-	Process substitution or modification of process	-	-5	-5	-	Other	-	-	-	-	
	Base case (2020-2030)	2030 target	2040 target	2050 target																																																
GHG emissions (all CO <sub>2</sub> e)	100	60	40	20																																																
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Use of renewable energy	-	-10	-3	-																																																
Process substitution or modification of products	-	-6	-	-																																																
Process substitution or modification of process	-	-5	-5	-																																																
Other	-	-	-	-																																																
Metrics and Targets																																																				
Disclosure Requirement E1-5 – Energy consumption and mix	Disclosure Requirement E1-7 – Energy consumption and mix	Comment/Rationale																																																		
ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>																																																			
AR 32 When preparing the information on energy consumption required under paragraph 35, the undertaking shall:	<b>Application Requirement</b> <u>AR 17.</u> When preparing the information on energy consumption required under paragraph 28 35, the undertaking <u>shall adopt the following calculation approaches</u> :		<b>Amended</b>  Amended following information gathering form stakeholders which highlighted the need for calculation approaches.																																																	
(a) only report energy consumed from processes owned or controlled by the undertaking applying the same perimeter applied for reporting GHG Scopes 1 and 2 emissions;	(a) <del>only</del> report energy consumed from processes <del>owned or controlled by the undertaking</del> applying the same <u>organisational boundary</u> perimeter applied for reporting GHG Scopes 1 and 2 emissions;		<b>Amended</b>  Minor editorial changes.																																																	
(b) exclude feedstocks and fuels that are not combusted for energy purposes. The undertaking	(b) exclude feedstocks and fuels that are not combusted for energy purposes ( <u>e.g. natural gas to produce polymers</u> ). The	<b>Amended</b>																																																		

that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures;	undertaking that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures;	Clarification on the type of information that the company should use to reflect its energy consumption, following stakeholders' input.
(c) ensure all quantitative energy-related information is reported in either Mega-Watt- hours (MWh) in Lower Heating Value or net calorific value. If raw data of energy- related information is only available in energy units other than MWh (such as Giga-Joules (GJ) or British Thermal Units (Btu)), in volume units (such as cubic feet or gallons) or in mass units (such as kilograms or pounds), they shall be converted to MWh using suitable conversion factors (see for example Annex II of the Fifth Assessment IPCC report). Conversion factors for fuels shall be made transparent and applied in a consistent manner;	(c) ensure all quantitative combustion-related information is reported in <del>either megawatt-hour Mega-Watt- hours (MWh)</del> in Lower Heating Value or net calorific value. <del>If raw data of energy- related information is only available in energy units other than MWh (such as Giga-Joules (GJ) or British Thermal Units (Btu)), in volume units (such as cubic feet or gallons) or in mass units (such as kilograms or pounds), they shall be converted to MWh using suitable conversion factors (see for example Annex II of the Fifth Assessment IPCC report). Conversion factors for fuels shall be made transparent and applied in a consistent manner;</del>	<b>Amended</b> Streamlined the provisions which provide instructions on necessary conversion of the units into MWh.
(d) ensure all quantitative energy-related information is reported as final energy consumption, referring to the amount of energy the undertaking actually consumes using for example the table in Annex IV of Directive 2012/27 of the European Parliament and of the Council on energy efficiency;	(d) ensure all quantitative energy-related information is reported as final energy consumption, referring to the amount of energy the undertaking actually consumes <del>using for example the table in Annex IV of Directive 2012/27 of the European Parliament and of the Council on energy efficiency;</del>	<b>Amended</b> Simplification for clarity purposes.
(e) avoid double counting fuel consumption when disclosing self-generated energy consumption. If the undertaking generates electricity from either a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted only once under fuel consumption;	(e) avoid double counting fuel consumption when disclosing self-generated energy consumption. If the undertaking generates electricity from either a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted only once under fuel consumption;	<b>Unchanged</b> No objections in internal discussions
(f) not offset energy consumption even if onsite generated energy is sold to and used by a third party;	(f) not offset energy consumption even if onsite generated energy is sold to and used by a third party;	<b>Unchanged</b> No objections in internal discussions
(g) not count energy that is sourced from within the organisational boundary under 'purchased or acquired' energy;	(g) not count energy that is sourced from within the organisational boundary under 'purchased or acquired' energy;	<b>Unchanged</b> No objections in internal discussions

(h) account for steam, heat or cooling received as 'waste energy' from a third party's industrial processes under 'purchased or acquired' energy;	(h) account for steam, heat or cooling received as 'waste energy' from a third party's industrial processes under 'purchased or acquired' energy;	<b>Unchanged</b> No objections in internal discussions
(i) account for renewable hydrogen as a renewable fuel. Hydrogen that is not completely derived from renewable sources shall be included under 'fuel consumption from other non-renewable sources'; and	(i) account for renewable hydrogen as a renewable fuel. Hydrogen that is not completely derived from renewable sources shall be included under 'fuel consumption from other non-renewable sources'; and	<b>Unchanged</b> No objections in internal discussions
(j) adopt a conservative approach when splitting the electricity, steam, heat or cooling between renewable and non-renewable sources based on the approach applied to calculate market-based Scope 2 GHG emissions. The undertaking shall only consider these energy consumptions as deriving from renewable sources if the origin of the purchased energy is clearly defined in the contractual arrangements with its suppliers (renewable power purchasing agreement, standardised green electricity tariff, market instruments like Guarantee of Origin from renewable sources in Europe or similar instruments like Renewable Energy Certificates in the US and Canada, etc.).	(j) adopt a conservative approach when splitting the electricity, steam, heat or cooling between renewable and non-renewable sources based on the approach applied to calculate market-based <b>Scope 2 GHG emissions</b> . The undertaking shall only consider these energy consumptions as deriving from renewable sources if the origin of the purchased energy is clearly defined in the contractual arrangements with its <b>suppliers</b> (renewable power purchasing agreement, standardised green electricity tariff, market instruments like Guarantee of Origin from renewable sources in Europe <sup>6</sup> or similar instruments like Renewable Energy Certificates in the US and Canada, etc.).	<b>Unchanged</b> No objections in internal discussions
AR 33 The information required under paragraph 38 is applicable if the undertaking is operating in at least one <b>high climate impact sector</b> . The information required under paragraph 38 (a) to (e). shall also include energy from fossil sources consumed in operations that are not in high climate impact sectors.	<del>AR 33 The information required under paragraph 38 is applicable if the undertaking is operating in at least one <b>high climate impact sector</b>. The information required under paragraph 38 (a) to (e). shall also include energy from fossil sources consumed in operations that are not in high climate impact sectors.</del>	<b>Deleted</b> Deletion of high climate impact sectors (HICS) due to simplification and reporting burden relief.
AR 34 The information on Energy consumption and mix may be presented using the following tabular format for <b>high climate impact sectors</b> and for all other sector by omitting rows (1) to (5).  <b>Energy consumption and mix</b>	<del>AR 34 The information on Energy consumption and mix may be presented using the following tabular format for <b>high climate impact sectors</b> and for all other sector by omitting rows (1) to (5).</del>  <b>Energy consumption and mix</b>  (1) Fuel consumption from coal and coal products (MWh)	<b>Deleted</b> Deletion due to simplification and reporting burden relief.

<sup>6</sup> Based on Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

<p>(1) Fuel consumption from coal and coal products (MWh)</p> <p>(2) Fuel consumption from crude oil and petroleum products (MWh)</p> <p>(3) Fuel consumption from natural gas (MWh)</p> <p>(4) Fuel consumption from other fossil sources (MWh)</p> <p>(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)</p> <p><b>(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b></p> <p><b>Share of fossil sources in total energy consumption (%)</b></p> <p><b>(7) Consumption from nuclear sources (MWh)</b></p> <p><b>Share of consumption from nuclear sources in total energy consumption (%)</b></p> <p><b>Share of consumption from nuclear sources in total energy consumption (%)</b></p> <p>(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)</p> <p>(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)</p> <p>(10) The consumption of self-generated non-fuel renewable energy (MWh)</p> <p><b>(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b></p> <p><b>Share of renewable sources in total energy consumption (%)</b></p> <p><b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)</b></p>	<p><del>(2) Fuel consumption from crude oil and petroleum products (MWh)</del></p> <p><del>(3) Fuel consumption from natural gas (MWh)</del></p> <p><del>(4) Fuel consumption from other fossil sources (MWh)</del></p> <p><del>(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)</del></p> <p><del><b>(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b></del></p> <p><del><b>Share of fossil sources in total energy consumption (%)</b></del></p> <p><del><b>(7) Consumption from nuclear sources (MWh)</b></del></p> <p><del><b>Share of consumption from nuclear sources in total energy consumption (%)</b></del></p> <p><del>(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)</del></p> <p><del>(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)</del></p> <p><del>(10) The consumption of self-generated non-fuel renewable energy (MWh)</del></p> <p><del><b>(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b></del></p> <p><del><b>Share of renewable sources in total energy consumption (%)</b></del></p> <p><del><b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)</b></del></p>	
<p>AR 35 The total energy consumption with a distinction between fossil, nuclear and renewable energy consumption may be presented graphically in the <b>sustainability statement</b> showing developments over time (e.g., through a pie or bar chart).</p>	<p><del>AR 35 The total energy consumption with a distinction between fossil, nuclear and renewable energy consumption may be presented graphically in the <b>sustainability statement</b> showing developments over time (e.g., through a pie or bar chart).</del></p>	<p><b>Deleted</b></p> <p>Deletion due to simplification and reporting burden relief.</p>

AR 36 When preparing the information on energy intensity required under paragraph 40, the undertaking shall:	<del>AR 36 When preparing the information on energy intensity required under paragraph 40, the undertaking shall:</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
(a) calculate the energy intensity ratio using the following formula:  <i>Total energy consumption from activities in high climate impact sectors (MWh)</i>  <i>Net revenue from activities in high climate impact sectors (MWh)</i>	<del>(a) calculate the energy intensity ratio using the following formula:  <i>Total energy consumption from activities in high climate impact sectors (MWh)</i>  <i>Net revenue from activities in high climate impact sectors (MWh)</i></del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
express the total energy consumption in MWh and the net revenue in monetary units (e.g., Euros);	<del>b. express the total energy consumption in MWh and the net revenue in monetary units (e.g., Euros);</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
the numerator and denominator shall only consist of the proportion of the total final energy consumption (in the numerator) and net revenue (in the denominator) that are attributable to activities in high climate impact sectors. In effect, there should be consistency in the scope of both the numerator and denominator;	<del>a. the numerator and denominator shall only consist of the proportion of the total final energy consumption (in the numerator) and net revenue (in the denominator) that are attributable to activities in high climate impact sectors. In effect, there should be consistency in the scope of both the numerator and denominator;</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
(a) calculate the total energy consumption in line with the requirement in paragraph 37;	<del>b. calculate the total energy consumption in line with the requirement in paragraph 37;</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
calculate the net revenue in line with the accounting standards requirements applicable for the financial statements, i.e., IFRS 15 Revenue from Contracts with Customers or local GAAP requirements.	<del>calculate the net revenue in line with the accounting standards requirements applicable for the financial statements, i.e., IFRS 15 Revenue from Contracts with Customers or local GAAP requirements.</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
AR 37 The quantitative information may be presented in the following table.  <i>Energy intensity per net revenue</i>	<del>AR 37 The quantitative information may be presented in the following table.  <i>Energy intensity per net revenue</i></del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.



Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Monetary unit)	<del>Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Monetary unit)</del>	
AR 38 The reconciliation of net revenue from activities in <b>high climate impact sectors</b> to the relevant financial statements line item or disclosure (as required by paragraph 43) may be presented either:	<del>AR 38 The reconciliation of net revenue from activities in <b>high climate impact sectors</b> to the relevant financial statements line item or disclosure (as required by paragraph 43) may be presented either:</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
(a) by a cross-reference to the related line item or disclosure in the financial statements; or	<del>(a) by a cross-reference to the related line item or disclosure in the financial statements; or</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
(b) If the net revenue cannot be directly cross-referenced to a line item or disclosure in the financial statements, by a quantitative reconciliation using the below tabular format.  Net revenue from activities in high climate impact sectors use energy intensity Net revenue (other) Total net revenue (Financial statements)	<del>(b) If the net revenue cannot be directly cross-referenced to a line item or disclosure in the financial statements, by a quantitative reconciliation using the below tabular format.  Net revenue from activities in high climate impact sectors use energy intensity Net revenue (other) Total net revenue (Financial statements)</del>	<b>Deleted</b> Deletion due to simplification and reporting burden relief.
<b>Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions</b>	<b>Disclosure Requirement E1-8 – Gross Scopes 1, 2, 3 GHG emissions</b>	<b>Comment/Rationale</b>
<b>ESRS Set 1 as per Delegated Act 2023</b>	<b>[Draft] Amended ESRS E1 <i>Climate change</i></b>	
<b>Calculation guidance</b> AR 39. When preparing the information for reporting GHG emissions as required by paragraph 44, the undertaking shall:	<del>AR 39:</del> AR 21. When preparing the information for reporting <b>GHG emissions</b> as required by paragraph 44, the undertaking shall:	<b>Amended</b> Maintained with minor edits.
a. consider the principles, requirements and guidance provided by the GHG Protocol Corporate Standard	<del>(a) consider the principles, requirements and guidance provided by the GHG Protocol Corporate Standard (2004). The undertaking</del>	<b>Amended</b>

(version 2004). The undertaking may consider Commission Recommendation (EU) 2021/22793 or the requirements stipulated by EN ISO 14064-1:2018. If the undertaking already applies the GHG accounting methodology of ISO 14064-1:2018, it shall nevertheless comply with the requirements of this standard (e.g., regarding reporting boundaries and the disclosure of market-based Scope 2 GHG emissions);	<del>may</del> can also consider Commission Recommendation (EU) 2021/2279 <sup>7</sup> or EN ISO 14064-1:2018. If the undertaking already applies the GHG accounting methodology of ISO 14064-1:2018, it shall nevertheless comply with the requirements of this Standard (e.g. regarding reporting boundaries <del>and the disclosure of market-based Scope 2 GHG emissions</del> );	‘Shall consider’ was maintained as final wording, however varying views were received on whether it should be ‘measured in accordance with’, ‘accounted for’, and various other permutations.
b. disclose the methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions accompanied by the reasons why they were chosen, and provide a reference or link to any calculation tools used;	<del>b. disclose the methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions accompanied by the reasons why they were chosen, and provide a reference or link to any calculation tools used;</del>	<b>Deleted</b> Streamlining opportunity, as it is addressed by [Draft] Amended ESRS 2, GDR-M.
c. include emissions of CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , and NF <sub>3</sub> . Additional GHG may be considered when significant; and	(b) include emissions of CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , and NF <sub>3</sub> . Additional GHGs may be considered when significant; <del>and</del>	<b>Unchanged</b> No objections in internal discussions
d. use the most recent Global Warming Potential (GWP) values published by the IPCC based on a 100-year time horizon to calculate CO <sub>2</sub> eq emissions of non-CO <sub>2</sub> gases.	(c) use the most recent <b>Global Warming Potential (GWP)</b> values published by the IPCC based on a 100-year time horizon to calculate CO <sub>2</sub> eq emissions of non-CO <sub>2</sub> gases. <u>If emission factors based on older GWP values are the most suitable or available, the undertaking can use these and explain under [Draft] Amended ESRS 2 GDR-M, paragraph 41, which GWPs the GHG inventory is based on;</u>	<b>Amended</b> Some flexibility was incorporated into the use of GWPs, linking to ESRS 2 GDR-M for an explanation of any deviations, based on feedback from stakeholders that the most recent GWPs are not always the most relevant for certain applications.
	(d) <u>not include any removals, any purchased, sold or transferred <b>carbon credits</b> or GHG allowances in the calculation of GHG emissions; and</u>	<b>New</b> Integration of former AR 43(d), AR 45(f) and AR 46(k).  The requirement to not include removals/carbon credits was amended and consolidated here as one AR,

<sup>7</sup> Commission Recommendation (EU) 2021/2279 of 15 December 2021 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 471, 30.12.2021, p. 1).

		applicable to all emission scopes. Feedback identified this as an area for streamlining.
	<u>(e) include biogenic emissions from the combustion or biodegradation of biomass (in particular, CH<sub>4</sub> and N<sub>2</sub>O).</u>	<p><b>New</b></p> <p>AR 43(c) amended.</p> <p>This represents a consolidation of the same requirement applicable to all GHG emission scopes (namely [AR 45(e)] and [AR 46(j)]), avoiding repetition. Feedback identified this as an area for streamlining.</p>
AR 40. When preparing the information for reporting GHG emissions from its associates, joint ventures, unconsolidated subsidiaries (investment entities) and contractual arrangements as required by paragraph 50, the undertaking shall consolidate 100% of the GHG emissions of the entities it operationally controls. In practice, this happens when the undertaking holds the license - or permit - to operate the assets from these associates, joint ventures, unconsolidated subsidiaries (investment entities) and contractual arrangements. When the undertaking has a contractually defined part-time operational control, it shall consolidate 100% the GHG emitted during the time of its operational control.	<del>AR 40. When preparing the information for reporting GHG emissions from its associates, joint ventures, unconsolidated subsidiaries (investment entities) and contractual arrangements as required by paragraph 50, the undertaking shall consolidate 100% of the GHG emissions of the entities it operationally controls. In practice, this happens when the undertakings hold the license - or permit - to operate the assets from these associates, joint ventures, unconsolidated subsidiaries (investment entities) and contractual arrangements. When the undertaking has a contractually defined part-time operational control, it shall consolidate 100% the GHG emitted during the time of its operational control.</del>	<p><b>Moved</b></p> <p>Deleted from mandatory content and moved to NMIG</p> <p>Integrated from former [AR 49]</p> <p>This NMIG has been maintained to support undertakings in situations when reporting under operational control, for complex industries/contractual arrangements.</p> <p>Additionally, this has been amended in line with changes made to the disclosure requirements on GHG boundary and related application requirements.</p>
AR 41. In line with ESRS 1 chapter 3.7, the undertaking shall disaggregate information on its GHG emissions as appropriate. For example, the undertaking may disaggregate its Scope 1, 2, 3, or total GHG emissions by country, operating segments, economic activity, subsidiary, GHG category (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , and other GHG considered by the undertaking) or source type (stationary combustion, mobile combustion, process emissions and fugitive emissions).	<del>AR 26. line with ESRS 1 chapter 3.7, The undertaking shall disaggregate information on its GHG emissions as appropriate. For example, the undertaking may disaggregate its Scope 1, 2, 3, or total GHG emissions in accordance with the provisions of [Draft] Amended ESRS 1, Chapter 3.7, for common and relevant categories used for disaggregation of GHG emissions, which include reporting by country, operating segments, economic activity, subsidiary, GHG category (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, and other GHGs considered by the undertaking) or source</del>	<p><b>Amended</b></p> <p>This has been consolidated together with elements from former [AR 41] and [AR 49]. Feedback from stakeholders indicated that this could be streamlined or removed, and that the use of 'as appropriate' in the original text was vague. The reference to the provisions in ESRS 1 on the level of disaggregation has also been maintained for context.</p>

	type (stationary combustion, mobile combustion, process emissions and fugitive emissions).	
AR 42. An undertaking might have a different reporting period from some or all of the entities in its value chain. In such circumstances, the undertaking is permitted to measure its GHG emissions in accordance with paragraph 44 using information for reporting periods that are different from its own reporting period if that information is obtained from entities in its value chain with reporting periods that are different from the undertaking's reporting period, on the condition that:	<del>AR 42. An undertaking might have a different reporting period from some or all of the entities in its value chain. In such circumstances, the undertaking is permitted to measure its GHG emissions in accordance with paragraph 44 using information for reporting periods that are different from its own reporting period if that information is obtained from entities in its value chain with reporting periods that are different from the undertaking's reporting period, on the condition that:</del> <del>a. the undertaking uses the most recent data available from those entities in its value chain to measure and disclose its greenhouse gas emissions;</del> <del>b. the length of the reporting periods is the same; and</del> <del>c. the undertaking discloses the effects of significant events and changes in circumstances (relevant to its GHG emissions) that occur between the reporting dates of the entities in its value chain and the date of the undertaking's general purpose financial statements.</del>	<b>Deleted</b>  Streamlining opportunity (disclosures required under this AR are expected to be captured by ESRS 2, GDR-M).
AR 43. When preparing the information on gross Scope 1 GHG emissions required under paragraph 48 (a), the undertaking shall:	<del>AR 43. When preparing the information on gross Scope 1 GHG emissions required under paragraph 48 (a), the undertaking shall:</del>	<b>Deleted</b>  With the inclusion of [AR 21], streamlining requirements that are applicable to all emission scopes, many items in this AR were deemed unnecessary to restate. See below for specific actions taken for each item.
a. calculate or measure GHG emissions from stationary combustion, mobile combustion, process emissions and fugitive emissions; and use suitable activity data that include the non-renewable fuel consumption;	<del>a. calculate or measure GHG emissions from stationary combustion, mobile combustion, process emissions and fugitive emissions; and use suitable activity data that include the non-renewable fuel consumption;</del>	<b>Deleted</b>  Streamlining opportunity (unnecessary to specify given [AR 21] requirements for emissions reporting and link to relevant standards, e.g. the GHG Protocol).

b. use suitable and consistent emission factors;	<del>b. use suitable and consistent emission factors;</del>	<b>Deleted</b>  Streamlining opportunity (unnecessary to specify given [AR 21] requirements for emissions reporting and link to relevant standards, e.g. the GHG Protocol).
c. disclose biogenic emissions of CO2 from the combustion or bio-degradation of biomass separately from the Scope 1 GHG emissions, but include emissions of other types of GHG (in particular CH4 and N2O);	<del>c. disclose biogenic emissions of CO2 from the combustion or bio-degradation of biomass separately from the Scope 1 GHG emissions, but include emissions of other types of GHG (in particular CH4 and N2O);</del>	<b>Moved</b>  Consolidated in [AR 21] together with the same requirement to include non-CO2 biogenic emissions for scope 2 and scope 3. This complements paragraph 33 which makes it clear that biogenic CO2 emissions shall be disclosed separately. Feedback identified this as an area for streamlining.
d. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 1 GHG emissions; and	<del>d. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 1 GHG emissions; and</del>	<b>Moved</b>  Consolidated in [AR 21(d)] together with the same requirement for scope 2 and scope 3. Feedback identified this as an area for streamlining.
e. for activities reporting under the EU ETS, report on Scope 1 emissions following the EU ETS methodology. The EU ETS methodology may also be applied to activities in geographies and sectors that are not covered by the EU ETS.	AR 22. For activities reporting under the EU <u>Emissions Trading Scheme</u> (ETS), the <u>undertaking shall</u> report on Scope 1 emissions following the EU ETS methodology. The EU ETS methodology may also be applied to activities in geographies and sectors that are not covered by the EU ETS.	<b>Moved</b>  AR 43(e) amended.  Maintained text and moved to an individual AR rather than having it bundled under Scope 1 guidance. This has specific relevance to the EU.
AR 44. When preparing the information on the percentage of Scope 1 GHG emissions from regulated emission trading schemes required under paragraph 48 (b), the undertaking shall:  a. consider GHG emissions from the installations it operates that are subject to regulated Emission Trading	AR 23. When preparing the information on the percentage of <b>Scope 1 GHG emissions</b> from regulated emission trading schemes required under paragraph 48 <del>(b)</del> 32, the undertaking shall:  (a) consider <b>GHG emissions</b> from the installations it operates that are subject to regulated ETS, <del>Emission Trading Schemes</del> , including the EU-ETS, national ETS and non-EU ETS, <del>if applicable it operates such installations;</del>	<b>Amended</b>  AR 44 amended.  Maintained, with the exception of former [AR 44(b)], which was deemed unnecessary given earlier guidance of the same nature under [AR 21(b)] that is applicable to all emissions scopes.

<p>Schemes (ETS), including the EU-ETS, national ETS and non-EU ETS, if applicable;</p> <p>b. only include emissions of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>;</p> <p>c. ensure the same accounting period for gross Scope 1 GHG emissions and GHG emissions regulated under the ETS; and</p> <p>d. calculate the share by using the following formula:</p> $\frac{\text{GHG Emissions in (t CO}_2\text{eq) from EU ETS installations + national ETS installations + nonEU ETS installations}}{\text{Scope 1 GHG emissions (t CO}_2\text{eq)}}$	<p><del>(b) only include emissions of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>;</del></p> <p>(b) ensure the same accounting period for gross Scope 1 GHG emissions and GHG emissions regulated under the ETS; and</p> <p>(c) calculate the share by using the following formula:</p> <p>GHG Emissions in (tCO<sub>2</sub>eq) from EU ETS installations + national ETS installations + non-EU ETS installations <u>(divided by)</u> Scope 1 GHG emissions (tCO<sub>2</sub>eq)</p>	
AR 45. When preparing the information on gross Scope 2 GHG emissions required under paragraph 49, the undertaking shall:	<del>AR 45.</del> AR 24. When preparing the information on gross <b>Scope 2 GHG emissions</b> required under paragraph <del>49</del> 32, the undertaking shall:	<b>Unchanged</b> No objections in internal discussions.
a. consider the principles and requirements of the GHG Protocol Scope 2 Guidance (version 2015, in particular the Scope 2 quality criteria in chapter 7.1 relating to contractual instruments); it may also consider Commission Recommendation (EU) 2021/2279 or the relevant requirements for the quantification of indirect GHG emissions from imported energy in EN ISO 14064-1:2018;	(a) <del>consider</del> <u>take into account</u> the principles and requirements of the GHG Protocol Scope 2 Guidance (Version 2015, particularly the Scope 2 quality criteria in Chapter 7.1 relating to contractual instruments). <del>it may</del> The undertaking can also consider Commission Recommendation (EU) 2021/2279 or the relevant requirements for the quantification of <b>indirect GHG emissions</b> from imported energy in EN ISO 14064-1:2018; <u>and</u>	<b>Amended</b> AR 45(a) amended. Minor edits.
b. include purchased or acquired electricity, steam, heat, and cooling consumed by the undertaking;	<del>b. include purchased or acquired electricity, steam, heat, and cooling consumed by the undertaking;</del>	<b>Deleted</b> Streamlining opportunity (unnecessary to specify given the reference above in [AR 24(a)] to the principles and

		requirements of Scope 2 reporting standards and guidance).
c. avoid double counting of GHG emissions reported under Scope 1 or 3;	<del>c. avoid double counting of GHG emissions reported under Scope 1 or 3;</del>	<b>Deleted</b>  Streamlining opportunity (unnecessary to specify given the reference above in AR 24(a) to the principles and requirements of Scope 2 reporting standards and guidance).
d. apply the location-based and market-based methods to calculate Scope 2 GHG emissions and provide information on the share and types of contractual instruments. Location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries (GHG Protocol, “Scope 2 Guidance”, Glossary, 2015). Market-based method quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporting entity contractually purchases electricity bundled with instruments, or unbundled instruments on their own (GHG Protocol, “Scope 2 Guidance”, Glossary, 2015); in this case, the undertaking may disclose the share of market-based scope 2 GHG emissions linked to purchased electricity bundled with instruments such as Guarantee of Origins or Renewable Energy Certificates. The undertaking shall provide information about the share and types of contractual instruments used for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims.	<u>(b) reflect the share and types of contractual instruments it has used to purchase energy or to claim specific attributes about it in its Scope 2 market-based figure, taking also [Draft] Amended ESRS E1-7, AR 18(j), into account.</u>  <del>d. apply the location-based and market-based methods to calculate Scope 2 GHG emissions and provide information on the share and types of contractual instruments. Location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries (GHG Protocol, “Scope 2 Guidance”, Glossary, 2015). Market-based method quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporting entity contractually purchases electricity bundled with instruments, or unbundled instruments on their own (GHG Protocol, “Scope 2 Guidance”, Glossary, 2015); in this case, the undertaking may disclose the share of market-based scope 2 GHG emissions linked to purchased electricity bundled with instruments such as Guarantee of Origins or Renewable Energy Certificates. The undertaking shall provide information about the share and types of contractual instruments used for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims.</del>	<b>Amended</b>  AR 45(d) amended.  NMIG contains relate guidance for [AR 24(b)].  Stakeholder feedback suggested former [AR 45(d)] was convoluted and too detailed. Guidance on contractual instruments has been streamlined, maintaining the requirement to report the share and type based on stakeholder feedback received.  Additionally, NMIG has been included explaining contractual instruments, in line with the GHG Protocol.

e. disclose biogenic emissions of CO <sub>2</sub> carbon from the combustion or biodegradation of biomass separately from the Scope 2 GHG emissions but include emissions of other types of GHG (in particular CH <sub>4</sub> and N <sub>2</sub> O). In case the emission factors applied do not separate the percentage of biomass or biogenic CO <sub>2</sub> , the undertaking shall disclose this. In case GHG emissions other than CO <sub>2</sub> (particularly CH <sub>4</sub> and N <sub>2</sub> O) are not available for, or excluded from, location-based grid average emissions factors or with the market-based method information, the undertaking shall disclose this.	<del>e. disclose biogenic emissions of CO<sub>2</sub> carbon from the combustion or biodegradation of biomass separately from the Scope 2 GHG emissions but include emissions of other types of GHG (in particular CH<sub>4</sub> and N<sub>2</sub>O). In case the emission factors applied do not separate the percentage of biomass or biogenic CO<sub>2</sub>, the undertaking shall disclose this. In case GHG emissions other than CO<sub>2</sub> (particularly CH<sub>4</sub> and N<sub>2</sub>O) are not available for, or excluded from, location-based grid average emissions factors or with the market-based method information, the undertaking shall disclose this.</del>	<b>Moved</b>  Consolidated and simplified in [paragraph33], which applies to all emissions scopes and makes it clear that biogenic CO <sub>2</sub> emissions shall be disclosed separately. Additionally, the requirement to include non-CO <sub>2</sub> biogenic emissions has been consolidated with the same requirement for Scope 1 and Scope 3 in [AR 21]. Feedback identified this as an area for streamlining.
f. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 2 GHG emissions.	<del>f. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 2 GHG emissions.</del>	<b>Moved</b>  Consolidated in [AR 21(d)] together with the same requirement for scope 1 and scope 3. Feedback identified this as an area for streamlining.
AR 46. When preparing the information on gross Scope 3 GHG emissions required under paragraph 51, the undertaking shall:	AR 25. When preparing the information on gross <b>Scope 3 GHG emissions</b> required under paragraph 51 32, the undertaking shall <u>adopt the following calculation approaches:</u>	<b>Amended</b>  Minor edits.
a. consider the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011); and it may consider Commission Recommendation (EU) 2021/2279 or the relevant requirements for the quantification of indirect GHG emissions from EN ISO 14064-1:2018;	(a) consider the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011). <del>and it may</del> <u>The undertaking can also</u> consider Commission Recommendation (EU) 2021/2279 or the relevant requirements for the quantification of <b>indirect GHG emissions</b> from EN ISO 14064-1:2018;	<b>Amended</b>  AR 46(a) amended.  Minor edits.
b. if it is a financial institution, consider the GHG Accounting and Reporting Standard for the Financial Industry from the Partnership for Carbon Accounting Financial (PCAF), specifically part A “Financed Emissions” (version December 2022);	<del>(f) if it is a financial institution reports</del> <u>if it is a financial institution reports</u> financed emissions, consider the GHG Accounting and Reporting Standard for the Financial Industry from the Partnership for Carbon Accounting Financial (PCAF), specifically Part A <i>Financed Emissions</i> (Version December 2022); <u>and</u>	<b>Amended</b>  AR 46(b) amended.  Minor edits.



		Reference to PCAF A was maintained. Requests to include reference to PCAF B and C were not incorporated given their nascency, as well as the fact they are not yet endorsed by the GHG Protocol.
c. screen its total Scope 3 GHG emissions based on the 15 Scope 3 categories identified by the GHG Protocol Corporate Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011) using appropriate estimates. Alternatively, it may screen its indirect GHG emissions based on the categories provided by EN ISO 14064-1:2018 clause 5.2.4 (excluding indirect GHG emissions from imported energy);	(b) screen its total <b>Scope 3 GHG emissions</b> based on the 15 <b>Scope 3 categories</b> identified by the GHG Protocol Corporate Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011) using appropriate estimates. Alternatively, it may screen its <b>indirect GHG emissions</b> based on the categories provided by EN ISO 14064-1:2018, Clause 5.2.4 (excluding indirect GHG emissions from imported energy);	<b>Unchanged</b>  No objections in internal discussions.
d. identify and disclose its significant Scope 3 categories based on the magnitude of their estimated GHG emissions and other criteria provided by GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011, p. 61 and 65-68) or EN ISO 14064-1:2018 Annex H.3.2, such as financial spend, influence, related transition risks and opportunities or stakeholder views;	(c) identify and disclose its significant Scope 3 categories based on the magnitude of their estimated <b>GHG emissions</b> and other criteria provided by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011, p. 61 and 65-68) or EN ISO 14064-1:2018, Annex H.3.2, such as financial spend, influence, related <b>transition risks</b> and <b>opportunities</b> or <b>stakeholder</b> views;	<b>Unchanged</b>  No objections in internal discussions.
e. calculate or estimate GHG emissions in significant Scope 3 categories using suitable emissions factors;	<del>e. calculate or estimate GHG emissions in significant Scope 3 categories using suitable emissions factors;</del>	<b>Deleted</b>  Streamlining opportunity (unnecessary to specify given [AR 25(a)] links to the principle and provisions of relevant standards, e.g. the GHG Protocol).
f. update Scope 3 GHG emissions in each significant category every year on the basis of current activity data; update the full Scope 3 GHG inventory at least every 3 years or on the occurrence of a significant event or a significant change in circumstances (a significant event or significant change in circumstances can, for example,	(e) update Scope 3 GHG emissions in each significant category every year on the basis of current activity data <u>and</u> update the full Scope 3 GHG inventory at least every three years or on the occurrence of a significant event or a significant change in circumstances; <del>(a significant event or significant change in circumstances can, for</del>	<b>Amended</b>  Maintained requirement but simplified AR by removing examples of significant event or significant change in circumstances.

relate to changes in the undertaking's activities or structure, changes in the activities or structure of its upstream and downstream value chain(s), a change in calculation methodology or in the discovery of errors);"	<del>example, relate to changes in the undertaking's activities or structure, changes in the activities or structure of its upstream and downstream value chain(s), a change in calculation methodology or in the discovery of errors);"</del>	
g. disclose the extent to which the undertaking's Scope 3 GHG emissions are measured using inputs from specific activities within the entity's upstream and downstream value chain, and disclose the percentage of emissions calculated using primary data obtained from suppliers or other value chain partners.	<p>(d) prioritise direct measurement of Scope 3 GHG emissions and, where this is not possible, further prioritise their inputs and assumptions based on the characteristics of the data (e.g. data from specific activities within the entity's upstream and downstream value chain, timely data that faithfully represents the jurisdiction of, and the technology used for, the upstream and downstream value chain activity and its GHG emissions, and data that has been verified);</p> <p><del>g. disclose the extent to which the undertaking's Scope 3 GHG emissions are measured using inputs from specific activities within the entity's upstream and downstream value chain, and disclose the percentage of emissions calculated using primary data obtained from suppliers or other value chain partners.</del></p>	<p><b>Amended</b></p> <p>AR 46(g) amended.</p> <p>This language has been amended to align more closely with IFRS S2.B40 and IFRS S2.B43.</p>
<p>h. for each significant Scope 3 GHG category, disclose the reporting boundaries considered, the calculation methods for estimating the GHG emissions as well as if and which calculation tools were applied. The Scope 3 categories should be consistent with the GHGP and include:</p> <p>i. indirect Scope 3 GHG emissions from the consolidated accounting group (the parent and its subsidiaries),</p> <p>ii. indirect Scope 3 GHG emissions from associates, joint ventures, and unconsolidated subsidiaries for which the undertaking has the ability to control the operational activities and relationships (i.e., operational control),</p> <p>iii. Scope 1, 2 and 3 GHG emissions from associates, joint ventures, unconsolidated subsidiaries (investment entities) and joint arrangements for which the</p>	<p><del>h. for each significant Scope 3 GHG category, disclose the reporting boundaries considered, the calculation methods for estimating the GHG emissions as well as if and which calculation tools were applied. The Scope 3 categories should be consistent with the GHGP and include:</del></p> <p><del>i. indirect Scope 3 GHG emissions from the consolidated accounting group (the parent and its subsidiaries),</del></p> <p><del>ii. indirect Scope 3 GHG emissions from associates, joint ventures, and unconsolidated subsidiaries for which the undertaking has the ability to control the operational activities and relationships (i.e., operational control),</del></p> <p><del>iii. Scope 1, 2 and 3 GHG emissions from associates, joint ventures, unconsolidated subsidiaries (investment entities) and joint arrangements for which the undertaking does not have</del></p>	<p><b>Deleted</b></p> <p>This was removed as it related to reporting boundaries considered and methodologies applied which can be considered captured by ESRS 1, GDR-M. Additionally it is present in the GHG Protocol Value Chain (Scope 3) guidance which is a 'shall consider' under new [AR 25(a)].</p>

undertaking does not have operational control and when these entities are part of the undertaking's upstream and downstream value chain.	<del>operational control and when these entities are part of the undertaking's upstream and downstream value chain.</del>	
i. disclose a list of Scope 3 GHG emissions categories included in and excluded from the inventory with a justification for excluded Scope 3 categories;	<del>i. disclose a list of Scope 3 GHG emissions categories included in and excluded from the inventory with a justification for excluded Scope 3 categories;</del>	<b>Deleted</b> With amendments to paragraph [32(c)] requiring the disclosure of Scope 3 emissions per category this AR was deemed redundant. Additionally, the removal of the requirement to justify scope 3 emission category exclusions was based on feedback which suggested this need not be its own disclosure given if it is not disclosed it is typically either not significant, or information is N/A (in which case it is expected the undertaking can apply ESRS 1, 7.3 <i>Use of reasonable and supportable information that is available without undue cost or effort and other reliefs in the calculation of metrics</i> ).
j. disclose biogenic emissions of CO2 from the combustion or biodegradation of biomass that occur in its upstream and downstream value chain separately from the gross Scope 3 GHG emissions, and include emissions of other types of GHG (such as CH4 and N2O), and emissions of CO2 that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass) in the calculation of Scope 3 GHG emissions;	<del>j. disclose biogenic emissions of CO2 from the combustion or biodegradation of biomass that occur in its upstream and downstream value chain separately from the gross Scope 3 GHG emissions, and include emissions of other types of GHG (such as CH4 and N2O), and emissions of CO2 that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass) in the calculation of Scope 3 GHG emissions;</del>	<b>Moved</b> Simplified and consolidated in [AR 21] together with the same requirement to include non-CO <sub>2</sub> biogenic emissions for scope 1 and scope 2. This compliments DR33 which makes it clear that biogenic CO <sub>2</sub> emissions shall be disclosed separately. Feedback identified this as an area for streamlining.
k. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 3 GHG emissions;	<del>k. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 3 GHG emissions;</del>	<b>Moved</b> Consolidated in [AR 21(d)] together with the same requirement for scope 1 and scope 2. Feedback identified this as an area for streamlining.

	<u>(g) if significant, disclose GHG emissions from purchased cloud computing and data centre services as a subset of the overarching Scope 3 category 1 'upstream purchased goods and services'.</u>	<p><b>New</b></p> <p><u>AR 51 amended.</u></p> <p>This represents former [AR 51] on emissions from purchased cloud computing and data center services and has been brought here as it relates to scope 3, rather than having it as a standalone AR.</p>
<p>AR 47. When preparing the information on the total GHG emissions required under paragraph 52, the undertaking shall:</p> <p>a. apply the following formulas to calculate the total GHG emissions:</p> <p>Total GHG emissions location-based (t CO<sub>2</sub>eq) = Gross Scope 1 + Gross Scope 2<sub>location-based</sub> + Gross Scope 3 Total</p> <p>GHG emissions market-based (t CO<sub>2</sub>eq) = Gross Scope 1 + Gross Scope 2<sub>market-based</sub> + Gross Scope 3</p> <p>b. disclose total GHG emissions with a distinction between emissions derived from the location-based and market-based methods applied while measuring the underlying Scope 2 GHG emissions.</p>	<p><del>AR 47. When preparing the information on the total GHG emissions required under paragraph 52, the undertaking shall:</del></p> <p><del>a. apply the following formulas to calculate the total GHG emissions:</del></p> <p><del>Total GHG emissions<sub>location-based</sub> (t CO<sub>2</sub>eq) = Gross Scope 1 + Gross Scope 2<sub>location-based</sub> + Gross Scope 3 Total</del></p> <p><del>GHG emissions<sub>market-based</sub> (t CO<sub>2</sub>eq) = Gross Scope 1 + Gross Scope 2<sub>market-based</sub> + Gross Scope 3</del></p> <p><del>b. disclose total GHG emissions with a distinction between emissions derived from the location-based and market-based methods applied while measuring the underlying Scope 2 GHG emissions.</del></p>	<p><b>Deleted</b></p> <p>Redundant with removal of total emissions disclosure. Refer former [paragraph44(d)] for related rationale.</p>
<p>AR 48. The undertaking shall disclose its total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3 in accordance with the table below.</p>	<p><del>AR 48. AR 27. The undertaking shall disclose</del> <u>may present</u> its total <b>GHG emissions</b> disaggregated by Scopes 1 and 2 and significant Scope 3 in accordance with the table below, <u>populating the rows as relevant in line with its disclosures under paragraph 32. A comparison of the undertaking's emissions over time may be performed by comparing current year emissions to a meaningful comparative, e.g. a <b>GHG emission reduction target</b> base year, indicating the percentage change (reduction/increase) in the corresponding column.</u></p>	<p><b>Amended</b></p> <p>AR 48 amended.</p> <p>Multiple sources of feedback were received from stakeholders on challenges associated with this table, in particular for the columns related to milestones and targets. The table has been modified and simplified, allowing flexibility, and maintaining only emissions-related information, and additional guidance on the use of the table has been included</p>

		Comparative		Current Year	% Change
		Year	Emissions	Emissions	
	<b>Scope 1 GHG emissions</b>				
	Gross Scope 1 GHG emissions (tCO2eq)				
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)				
	<b>Scope 2 GHG emissions</b>				
	Gross location-based Scope 2 GHG emissions (tCO2eq)				
	Gross market-based Scope 2 GHG emissions (tCO2eq)				
	<b>Significant scope 3 GHG emissions</b>				
	Total gross indirect (Scope 3) GHG emissions (tCO2eq)				
	1. Purchased goods and services				
	[Optional sub-category: Cloud computing and data centre services]				
	2. Capital goods				
	3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)				
	4. Upstream transportation and distribution				
	5. Waste generated in operations				
	6. Business traveling				
	7. Employee commuting				
	8. Upstream leased assets				
	9. Downstream transportation				
	10. Processing of sold products				
	11. Use of sold products				
	12. End-of-life treatment of sold products				
	13. Downstream leased assets				
	14. Franchises				
	15. Investments				
AR 49. To highlight potential transition risks, the undertaking may disclose its total GHG emissions disaggregated by major countries and, if applicable, by operating segments (applying the same segments for the financial statements as required by the accounting standards, i.e., IFRS 8 Operating Segments or local GAAP). Scope 3 GHG emissions may be excluded from these breakdowns by country if the related data is not readily available.	<del>AR 49. To highlight potential transition risks, the undertaking may disclose its total GHG emissions disaggregated by major countries and, if applicable, by operating segments (applying the same segments for the financial statements as required by the accounting standards, i.e., IFRS 8 Operating Segments or local GAAP). Scope 3 GHG emissions may be excluded from these breakdowns by country if the related data is not readily available.</del>	<b>Moved</b> Moved to former [AR 40] This AR has been consolidated with AR 40 and has remained as AR.			

AR 50. The Scope 3 GHG emissions may also be presented according to the indirect emission categories defined in EN ISO 14064-1:2018.	<del>AR 50. The Scope 3 GHG emissions may also be presented according to the indirect emission categories defined in EN ISO 14064-1:2018.</del>	<b>Deleted</b>  Redundant with new [AR 25(b)] which makes reference to the categories in EN ISO 14064-1:2018.
AR 51. If it is material for the undertaking's Scope 3 emissions, it shall disclose the GHG emissions from purchased cloud computing and data centre services as a subset of the overarching Scope 3 category “upstream purchased goods and services”.	<del>AR 51. If it is material for the undertaking's Scope 3 emissions, it shall disclose the GHG emissions from purchased cloud computing and data centre services as a subset of the overarching Scope 3 category “upstream purchased goods and services”.</del>	<b>Moved</b>  Moved to [AR 25(g)]  To group it with other scope 3 emission ARs, and modified language based on feedback that ‘if material’ does not need to be stated, rather replaced by ‘if significant’ in line with language used for scope 3 inventories.
AR 52. The total GHG emissions disaggregated by Scope 1, 2 and 3 GHG emissions may be graphically presented in the sustainability statement (e.g., as a bar or pie chart) showing the split of GHG emissions across the value chain (Upstream, Own operations, Transport, Downstream).	<del>AR 52. The total GHG emissions disaggregated by Scope 1, 2 and 3 GHG emissions may be graphically presented in the sustainability statement (e.g., as a bar or pie chart) showing the split of GHG emissions across the value chain (Upstream, Own operations, Transport, Downstream).</del>	<b>Deleted</b>  Streamlining opportunity. It was also noted that there was limited disclosure of this by early adopters of ESRS in public reporting as part of benchmarking undertaken.
GHG intensity based on net revenue Calculation guidance AR 53. When disclosing the information on GHG intensity based on net revenue required under paragraph 53, the undertaking shall:  a.calculate the GHG intensity ratio by the following formula:  Total GHG emissions (t CO <sub>2</sub> eq) Net revenue (Monetary unit)  b.express the total GHG emissions in metric tonnes of CO <sub>2</sub> eq and the net revenue in monetary units (e.g.,	<del>GHG intensity based on net revenue Calculation guidance AR 53. When disclosing the information on GHG intensity based on net revenue required under paragraph 53, the undertaking shall:  a.calculate the GHG intensity ratio by the following formula:  Total GHG emissions (t CO<sub>2</sub>eq) Net revenue (Monetary unit)</del>	<b>Deleted</b>  With the amendment to former [paragraph53], this is no longer relevant. New guidance aligned with the new voluntary requirement on GHG intensity has been presented together (refer former [paragraph53] above).

<p>Euros) and present the results for the market-based and location-based method;</p> <p>c.include the total GHG emissions in the numerator and overall net revenue in the denominator;</p> <p>d.calculate the total GHG emissions as required by paragraphs 44 (d) and 52; and</p> <p>e.calculate the net revenue in line with the requirements in accounting standards applied for financial statements, i.e., IFRS 15 or local GAAP.</p>	<p><del>b.express the total GHG emissions in metric tonnes of CO<sub>2</sub>eq and the net revenue in monetary units (e.g., Euros) and present the results for the market based and location based method;</del></p> <p><del>c.include the total GHG emissions in the numerator and overall net revenue in the denominator;</del></p> <p><del>d.calculate the total GHG emissions as required by paragraphs 44 (d) and 52; and</del></p> <p><del>e.calculate the net revenue in line with the requirements in accounting standards applied for financial statements, i.e., IFRS 15 or local GAAP.</del></p>	
<p>AR 54. The quantitative information may be presented in the following tabular format.</p>	<p><del>AR 54. The quantitative information may be presented in the following tabular format.</del></p>	<p><b>Deleted</b></p> <p>With the amendment to former [paragraph53] (refer to rationale above in disclosure requirements), this is no longer relevant.</p>
<p>Connectivity of GHG intensity based on revenue with financial reporting information</p> <p>AR 55. The reconciliation of the net revenue used to calculate GHG intensity to the relevant line item or notes in the financial statements (as required by paragraph 55) may be done by either:</p> <p>(a) a cross-reference to the related line item or disclosure in the financial statements; or</p> <p>(b) if the net revenue cannot be directly cross-referenced to a line item or disclosure in the financial statements, by a quantitative reconciliation using the below tabular format.</p>	<p><del>Connectivity of GHG intensity based on revenue with financial reporting information</del></p> <p><del>AR 55. The reconciliation of the net revenue used to calculate GHG intensity to the relevant line item or notes in the financial statements (as required by paragraph 55) may be done by either:</del></p> <p><del>(a) a cross-reference to the related line item or disclosure in the financial statements; or</del></p> <p><del>(b) if the net revenue cannot be directly cross-referenced to a line item or disclosure in the financial statements, by a quantitative reconciliation using the below tabular format.</del></p>	<p><b>Deleted</b></p> <p>With the amendment to former [paragraph53] (refer to rationale above in disclosure requirements), this is no longer relevant.</p>
<p><b>Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits</b></p>	<p><b>Disclosure Requirement E1-9 – GHG removals and GHG mitigation projects financed through carbon credits</b></p>	<p><b>Comment/Rationale</b></p>

ESRS Set 1 as per Delegated Act 2023	[Draft] Amended ESRS E1 <i>Climate change</i>	
<p><b><i>GHG removals and storage in own operations and the upstream and downstream value chain</i></b></p> <p>AR 56. In addition to their GHG emission inventories, undertakings shall provide transparency on how and to what extent they either enhance natural sinks or apply technical solutions to remove GHGs from the atmosphere in their own operations and upstream and downstream value chain. While there are no generally accepted concepts and methodologies for accounting for GHG removals, this Standard aims to increase transparency on the undertaking's efforts to remove GHGs from the atmosphere (paragraphs 56 (a) and 58). The GHG removals outside the <b>value chain</b> that the undertaking supports through the purchase of <b>carbon credits</b> are to be disclosed separately as required by paragraphs 56 (b) and 59.</p>	<p><del><b><i>GHG removals and storage in own operations and the upstream and downstream value chain</i></b></del></p> <p>AR 56. In addition to their GHG emission inventories, undertakings shall provide transparency on how and to what extent they either enhance natural sinks or apply technical solutions to remove GHGs from the atmosphere in their own operations and upstream and downstream value chain. While there are no generally accepted concepts and methodologies for accounting for GHG removals, this Standard aims to increase transparency on the undertaking's efforts to remove GHGs from the atmosphere (paragraphs 56 (a) and 58). The GHG removals outside the <b>value chain</b> that the undertaking supports through the purchase of <b>carbon credits</b> are to be disclosed separately as required by paragraphs 56 (b) and 59.</p>	<p><b>Deleted</b></p> <p>Deleted from mandatory content</p>
<p>AR 57. When disclosing the information on <b>GHG removals and storage</b> from the undertaking's own operations and its upstream and downstream <b>value chain</b> required under paragraphs 56 (a) and 58, for each removal and storage activity, the undertaking shall describe:</p>	<p>AR 57. When disclosing the information on <del><b>GHG removals and storage</b></del> from the undertaking's own operations and its upstream and downstream <del><b>value chain</b></del> required under paragraphs 56 (a) and 58, for each removal and storage activity, the undertaking shall describe:–</p>	<p><b>Deleted</b></p> <p>Moved to [35]</p> <p>AR was removed to support the overall simplification purpose.</p>
<p>a. the GHGs concerned;</p>	<p>a. the GHGs concerned;–</p>	<p><b>Deleted</b></p> <p>AR was removed to support the overall simplification purpose.</p>
<p>b. whether removal and storage are biogenic or from <b>land-use change</b> (e.g., afforestation, reforestation, forest restoration, urban tree planting, agroforestry, building <b>soil</b> carbon, etc.), technological (e.g., direct air capture), or hybrid (e.g., bioenergy with CO2 capture and storage), and technological details about the</p>	<p>b. whether removal and storage are biogenic or from <del><b>land-use change</b></del> (e.g., afforestation, reforestation, forest restoration, urban tree planting, agroforestry, building <b>soil</b> carbon, etc.), technological (e.g., direct air capture), or hybrid (e.g., bioenergy with CO2 capture and storage), and technological details about the removal,</p>	<p><b>Deleted</b></p> <p>AR was removed to support the overall simplification purpose.</p>



removal, the type of storage and, if applicable, the transport of removed GHGs;	<del>the type of storage and, if applicable, the transport of removed GHGs;</del>	
c. if applicable, a brief explanation of whether the activity qualifies as a nature-based solution; and	<del>e. if applicable, a brief explanation of whether the activity qualifies as a nature-based solution; and</del>	<b>Deleted</b> AR was removed to support the overall simplification purpose.
d. how the risk of non-permanence is managed, including determining and monitoring leakage and reversal events, as appropriate.	<del>d. how the risk of non-permanence is managed, including determining and monitoring leakage and reversal events, as appropriate.</del>	<b>Deleted</b> AR was removed to support the overall simplification purpose.
<b>Calculation guidance</b>  AR 58. When preparing the information on <b>GHG removals and storage</b> from the undertaking's own operations and its upstream and downstream <b>value chain</b> required under paragraphs 56 (a) and 58, the undertaking shall:	<b>Application Requirements</b>  <del>AR 58. AR 28. When preparing the information on GHG removals and storage include both <b>nature-based solutions</b> as well as technological removals and storage. When preparing the information on its projects from the undertaking's own operations and its upstream and downstream <b>value chain</b> required under paragraphs 56 (a) and 58, the undertaking shall:</del>	<b>Amended</b>  Integrated from former [AR(58)(i)] related to nature-based solutions  In response to feedback from stakeholders and after internal discussions, the AR was streamlined to support the overall simplification  Added new guidance to capture detail on calculation methodology and assumptions, which supports the streamlining of this section, reflecting the suggestions from the public input). Also referred to ESRS 2, GDR-M on expectations when reporting metrics under ESRS.
a. consider, as far as applicable, the GHG Protocol Corporate Standard (version 2004), Product Standard (version 2011), Agriculture Guidance (version 2014), Land use, <b>land-use change</b> , and forestry Guidance for GHG project accounting (version 2006);	<del>a. consider, as far as applicable, the GHG Protocol Corporate Standard (version 2004), Product Standard (version 2011), Agriculture Guidance (version 2014), Land use, <b>land-use change</b>, and forestry Guidance for GHG project accounting (version 2006);</del>	<b>Deleted</b>  Streamlined as suggested by stakeholders' input.
b. apply consensus methods on accounting for GHG removals as soon as they are available, notably the EU regulatory framework for the certification of CO2 removals;	<del>b (a) apply consensus methods on accounting for GHG removals as soon as they are available, notably the EU regulatory framework for the certification of CO2 removals <u>Carbon Removals and Carbon Farming Certification (CRCF) Regulation</u><sup>8</sup>;</del>	<b>Amended</b>  Specification of the CRCF Regulation to reflect its applicability to EU undertakings.

<sup>8</sup> <https://eur-lex.europa.eu/eli/reg/2024/3012/oj/eng>

c. if applicable, explain the role of removals for its <b>climate change mitigation policy</b> ;	<del>e. if applicable, explain the role of removals for its <b>climate change mitigation policy</b>;</del>	<b>Deleted</b>  To support the general call for simplification during public outreach.
d. include removals from operations that it owns, controls, or contributes to and that have not been sold to another party through carbon credits;	<del>d (b) include in the calculation the removals from operations that it owns, controls, or contributes to, that have not been sold to another party through <b>carbon credits</b> and that are not double counted or reported;</del>	<b>Amended</b>  Minor edits for clarification.
if applicable, mark those GHG removal activities in own operations or the value chain that have been converted into carbon credits and sold on to other parties on the voluntary market;	<del>e. if applicable, mark those GHG removal activities in own operations or the value chain that have been converted into carbon credits and sold on to other parties on the voluntary market;</del>	<b>Deleted</b>  To support the general call for simplification as suggested by stakeholders' input.
f. account for the GHG <b>emissions</b> associated with a removal activity, including transport and storage, under Disclosure Requirement E1-6 (Scopes 1, 2 or 3). To increase transparency on the efficiency of a removal activity, including transport and storage, the undertaking may disclose the GHG emissions associated with this activity (e.g., GHG emissions from electricity consumption of direct air capture technologies) alongside, but separately from, the amount of removed GHG emissions;	<del>f (c) account for the <b>GHG emissions</b> associated with a removal activity, including transport and storage, under <del>E1-6</del> DR E1-8 (Scopes 1, 2 or 3). To increase transparency on the efficiency of a removal activity, including transport and storage, the undertaking may disclose the GHG emissions associated with this activity (e.g., GHG emissions from electricity consumption of direct air capture technologies) alongside, but separately from, the amount of removed GHG emissions;</del>	<b>Amended</b>  To support the general call for simplification as suggested by stakeholders' input.
g. in case of a reversal, account for the respective GHG emissions as an offset for the removals in the reporting period;	<del>g in case of a reversal, account for the respective GHG emissions as an offset for the removals in the reporting period</del>	<b>Deleted</b>  To support the general call for simplification asked by stakeholders' input.
h. use the most recent <b>GWP</b> values published by the IPCC based on a 100-year time horizon to calculate CO <sub>2</sub> eq emissions of non-CO <sub>2</sub> gases and describe the assumptions made, methodologies and frameworks applied for	<del>h. use the most recent <b>GWP</b> values published by the IPCC based on a 100-year time horizon to calculate CO<sub>2</sub>eq emissions of non-CO<sub>2</sub> gases and describe the assumptions made, methodologies and frameworks applied for calculation of the amount of GHG removals; and</del>	<b>Deleted</b>  To support the general call for simplification asked by stakeholders' input.

calculation of the amount of GHG removals; and												
i. consider <i><b>nature-based solutions.</b></i>	i. consider <del><i><b>nature-based solutions.</b></i></del>	<b>Moved</b>  Moved to [AR 28] for streamlining purposes.										
AR 59. The undertaking shall disaggregate and separately disclose the GHG removals that occur in its own operations and those that occur in its upstream and downstream value chain. GHG removal activities in the upstream and downstream <i><b>value chain</b></i> shall include those that the undertaking is actively supporting, for example, through a cooperation project with a <i><b>supplier.</b></i> The undertaking is not expected to include any GHG removals that may occur in its upstream and downstream value chain that it is not aware of.	<del>AR 59. The undertaking shall disaggregate and separately disclose the GHG removals that occur in its own operations and those that occur in its upstream and downstream value chain. GHG removal activities in the upstream and downstream <i><b>value chain</b></i> shall include those that the undertaking is actively supporting, for example, through a cooperation project with a <i><b>supplier.</b></i> The undertaking is not expected to include any GHG removals that may occur in its upstream and downstream value chain that it is not aware of.</del>  (d) include in the calculation the removal activities in the upstream and downstream value chain that the undertaking is actively supporting, e.g., through a cooperation project with a <i><b>supplier.</b></i>	<b>Moved</b>  AR 59 amended. Moved to [AR 28(d)]										
AR 60. The quantitative information on GHG removals may be presented by using the following tabular format. <table><tr><th>Removals</th><th>Comparative</th></tr><tr><td>GHG removal activity 1 (e.g., forest restoration)</td><td>-</td></tr><tr><td>GHG removal activity 2 (e.g., direct air capture)</td><td>-</td></tr><tr><td>...</td><td>-</td></tr><tr><td>Total GHG removals from own operations (tCO2eq)</td><td></td></tr></table>	Removals	Comparative	GHG removal activity 1 (e.g., forest restoration)	-	GHG removal activity 2 (e.g., direct air capture)	-	...	-	Total GHG removals from own operations (tCO2eq)		<del>AR 60. The quantitative information on GHG removals may be presented by using the following tabular format.</del>	<b>Deleted</b>  Deleted this voluntary AR due to limited uptake by stakeholders.  The requirement to report on reversals, however, was embedded within this table has been maintained and moved to [35(d)].
Removals	Comparative											
GHG removal activity 1 (e.g., forest restoration)	-											
GHG removal activity 2 (e.g., direct air capture)	-											
...	-											
Total GHG removals from own operations (tCO2eq)												

GHG removal activity 1 (e.g., forest restoration)	-			
GHG removal activity 2 (e.g., direct air capture)	-			
...	-			
Total GHG removals in the upstream and downstream value chain (tCO <sub>2</sub> eq)				
Reversals (tCO <sub>2</sub> eq)				
<b>GHG mitigation projects financed through carbon credits</b>  AR 61. Financing GHG <b>emission reduction</b> projects outside the undertaking's <b>value chain</b> through purchasing <b>carbon credits</b> that fulfil high-quality standards can be a useful contribution towards mitigating climate change. This Standard requires the undertaking to disclose whether it uses <b>carbon credits</b> separately from the GHG <b>emissions</b> (paragraphs 56 (b) and 59) and GHG <b>emission reduction targets</b> (Disclosure Requirement E1-4). It also requires the undertaking to show the extent of use and which quality criteria it uses for those carbon credits.		<del><b>GHG mitigation projects financed through carbon credits</b></del>  AR 61. Financing GHG <del><b>emission reduction</b></del> projects outside the undertaking's <del><b>value chain</b></del> through purchasing <del><b>carbon credits</b></del> that fulfil high-quality standards can be a useful contribution towards mitigating climate change. This Standard requires the undertaking to disclose whether it uses <del><b>carbon credits</b></del> separately from the GHG <del><b>emissions</b></del> (paragraphs 56 (b) and 59) and GHG <del><b>emission reduction targets</b></del> (Disclosure Requirement E1-4). It also requires the undertaking to show the extent of use and which quality criteria it uses for those carbon credits.		Deleted  Streamlined for simplification purposes.

AR 62. When disclosing the information on <b>carbon credits</b> required under paragraphs 56 (b) and 59, the undertaking shall disclose the following disaggregation as applicable:	<del>AR 62. When disclosing the information on <b>carbon credits</b> required under paragraphs 56 (b) and 59, the undertaking shall disclose the following disaggregation as applicable:–</del>	<b>Deleted</b>  Removed the level of granularity required from this section with reference to some general feedback from stakeholders that the former E1-7 was too detailed.
a. the share (percentage of volume) of reduction projects and removal projects;	<del>a. the share (percentage of volume) of reduction projects and removal projects;–</del>	<b>Moved</b> Moved to [36(c)]  Streamline purposes.
b. b. for carbon credits from removal projects, an explanation whether they are from biogenic or technological sinks;	<del>b. for carbon credits from removal projects, an explanation whether they are from biogenic or technological sinks;–</del>	<b>Moved</b> Moved to [36(c)]  Streamline purposes.
c. the share (percentage of volume) for each recognised quality standard;	<del>c. the share (percentage of volume) for each recognised quality standard;–</del>	<b>Deleted</b> To support the general call for simplification.
d. the share (percentage of volume) issued from projects in the EU; and	<del>d. the share (percentage of volume) issued from projects in the EU; and–</del>	<b>Deleted</b> To support the general call for simplification.
e. the share (percentage of volume) that qualifies as a corresponding adjustment under Article. 6 of the Paris Agreement.	<del>e. the share (percentage of volume) that qualifies as a corresponding adjustment under Article. 6 of the Paris Agreement.–</del>	<b>Deleted</b> To support the general call for simplification.
<b>Calculation guidance</b>  AR 63. When preparing the information on <b>carbon credits</b> required under paragraphs 56 (b) and 59, the undertaking shall:	<del>AR 29. When preparing the information on <b>carbon credits</b>, the undertaking shall:</del>  <del><b>Calculation guidance–</b></del>  <del>AR 63. When preparing the information on <b>carbon credits</b> required under paragraphs 56 (b) and 59, the undertaking shall:–</del>	<b>Amended</b> AR 62 and AR 63 amended.  Simplified guidance here whilst maintaining key elements.

a. Consider <b>recognised quality standards</b> ;	(a) Consider recognised quality standards;	<b>Unchanged</b> No objections in internal discussions
b. if applicable, explain the role of carbon credits in its <b>climate change mitigation policy</b> ;	<del>b. if applicable, explain the role of carbon credits in its <b>climate change mitigation policy</b>;</del>	<b>Deleted</b> NMIG contains new related guidance for [AR 29]  Removal of former AR 63(b) with the expectation that, it will be captured by relevant policy disclosures (namely paragraph 22 and related NMIG, as well as ESRS 2, GDR-P).
c. not include carbon credits issued from GHG <b>emission reduction</b> projects within its <b>value chain</b> as the respective GHG emission reductions shall already be disclosed under Disclosure Requirement E1-6 (Scope 2 or Scope 3) at the time they occur (i.e., double counting is avoided);	(b) not include carbon credits issued from <b>GHG emission reduction</b> projects and GHG emission removal projects within its own operations, upstream and downstream value chain <del>as the respective GHG emission reductions shall already be disclosed under Disclosure Requirement E1-6 (Scope 2 or Scope 3) at the time they occur to avoid (i.e., double counting is avoided); and</del>	<b>Amended</b> Integrated from former [AR 63(c)], [AR 63(d)]  Merging and streamlining of former [AR 63(c)] and [AR 63(d)] to avoid repetition.
d. not include carbon credits from GHG removal projects within its value chain as the respective GHG removals may already be accounted for under Disclosure Requirement E1-7 at the time they occur (i.e., double counting is avoided);	<del>e. not include carbon credits from GHG removal projects within its value chain as the respective GHG removals may already be accounted for under Disclosure Requirement E1-7 at the time they occur (i.e., double counting is avoided);</del>	<b>Moved</b> Moved to [AR 29(b)]  Merging and streamlining of AR 62(c) and (d) to avoid repetition).
e. not disclose carbon credits as an offset for its GHG <b>emissions</b> under Disclosure Requirement E1-6 on GHG emissions;	<del>e. Not disclose carbon credits as an offset for its GHG emissions under Disclosure Requirement E1-6 on GHG emissions;</del>	<b>Deleted</b>  Removal of as the requirement in former E1-6 is for 'gross' emissions hence no netting (or offsetting) is implied.
f. not disclose carbon credits as a means to reach the GHG emission reduction targets disclosed under Disclosure Requirement E1-4; and	<del>f. not disclose carbon credits as a means to reach the GHG emission reduction targets disclosed under Disclosure Requirement E1-4; and</del>	<b>Deleted</b>

		Similarly, AR 63(f) has been removed as it is explicitly stated under <i>Targets related to climate change mitigation and adaptation</i> .
g. calculate the amount of carbon credits to be cancelled in the future, as the sum of carbon credits in metric tonnes of CO <sub>2</sub> eq over the duration of existing contractual agreements.	(c) calculate the amount of carbon credits to be cancelled in the future as the sum of carbon credits in metric tonnes of CO <sub>2</sub> eq over the duration of existing contractual agreements.	<b>Unchanged</b>  No objections in internal discussions.
AR 64. The information on <b>carbon credits</b> cancelled in the reporting year and planned to be cancelled in the future may be presented using the following tabular formats.		<b>Deleted</b> Voluntary tabular format deleted (streamlining). Limited uptake observed by early adopters of ESRS in benchmarking work undertaken.
<b>Carbon credits cancelled in the reporting year</b>	<b>Comparative</b>	
<b>Total (tCO<sub>2</sub>eq)</b>		
Share from removal projects (%)		
Share from reduction projects (%)		
Recognised quality standard 1 (%)		
Recognised quality standard 2 (%)		
Recognised quality standard 3 (%)		
...		
Share from projects within the EU (%)		
Share of carbon credits that qualify as corresponding adjustments (%)		
<del>Carbon credits cancelled in the reporting year</del>	<del>Comparative</del>	
<del>Total (tCO<sub>2</sub>eq)</del>	<del>–</del>	
<del>Share from removal projects (%)</del>	<del>–</del>	
<del>Share from reduction projects (%)</del>	<del>–</del>	
<del>Recognised quality standard 1 (%)</del>	<del>–</del>	
<del>Recognised quality standard 2 (%)</del>	<del>–</del>	
<del>Recognised quality standard 3 (%)</del>	<del>–</del>	
<del>...</del>	<del>–</del>	
<del>Share from projects within the EU (%)</del>	<del>–</del>	
<del>Share of carbon credits that qualify as corresponding adjustments (%)</del>	<del>–</del>	

Carbon credits planned to be cancelled in the future	Amount [period] until	Carbon credits planned to be cancelled in the future	Amount [period] until	
Total (tCO2eq)		Total (tCO2eq)	–	
Disclosure Requirement E1-8 – Internal carbon pricing		Disclosure Requirement E1-10 – Internal carbon pricing		Comment/Rationale
ESRS Set 1 as per Delegated Act 2023		[Draft] Amended ESRS E1 <i>Climate change</i>		
AR 65 When disclosing the information required under paragraphs 62 and 63, if applicable, the undertaking shall briefly explain whether and how the carbon prices used in internal carbon pricing schemes are consistent with those used in financial statements. This shall be done in respect of the internal carbon prices used for,		<del>AR 65 When disclosing the information required under paragraphs 62 and 63, if applicable, the undertaking shall briefly explain whether and how the carbon prices used in internal carbon pricing schemes are consistent with those used in financial statements. This shall be done in respect of the internal carbon prices used for,</del>		<b>Moved</b> Moved to [38] (former paragraph 62)
(a) the assessment of the useful life and residual value of its assets (intangibles, property, plant and equipment);		<del>(a) the assessment of the useful life and residual value of its assets (intangibles, property, plant and equipment);</del>		<b>Deleted</b> To support the general call for simplification.
(b) the impairment of assets; and		<del>(b) the impairment of assets; and</del>		<b>Deleted</b> To support the general call for simplification.
(c) the fair value measurement of assets acquired through business acquisitions.		<del>(c) the fair value measurement of assets acquired through business acquisitions.</del>		<b>Deleted</b> To support the general call for simplification.
AR 66. The information may be presented by using the following table:		AR 66 The information may be presented by using the following table:		<b>Deleted</b> To support the general call for simplification.
Types of internal	Volum e at	Prices applied	Perime ter	
Types of	Volum e at	Prices applied	Perime ter	



carbon prices	stake (tCO2eq)	(€/tCO2eq)	description	internal carbon prices	stake (tCO2eq)	(€/tCO2eq)	description	
CapEx shadow price				CapEx shadow price				
Research and Development (R&D) investment shadow price				Research and Development (R&D) investment shadow price				
Internal carbon fee or fund				Internal carbon fee or fund				
Carbon prices for impairment testing				Carbon prices for impairment testing				
Etc.				Etc.				
Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities				Disclosure Requirement E1-11 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities				Comment/Rationale
ESRS Set 1 as per Delegated Act 2023				[Draft] Amended ESRS E1 <i>Climate change</i>				

AR 67. Material climate-related physical risks and transition risks may affect the undertaking's financial position (e.g., owned assets, financially controlled leased assets, and liabilities), performance (e.g., potential future increase/decrease in net revenue and costs due to business interruptions, increased supply prices resulting in potential margin erosions), and cash flows. The low probability, high severity and long-term time horizons of some climate-related physical risk exposures and the uncertainty arising from the transition to a sustainable economy mean that there will be associated material anticipated financial effects that are outside the scope of the requirements of applicable accounting standards	<del>AR 67. Material climate-related physical risks and transition risks may affect the undertaking's financial position (e.g., owned assets, financially controlled leased assets, and liabilities), performance (e.g., potential future increase/decrease in net revenue and costs due to business interruptions, increased supply prices resulting in potential margin erosions), and cash flows. The low probability, high severity and long-term time horizons of some climate-related physical risk exposures and the uncertainty arising from the transition to a sustainable economy mean that there will be associated material anticipated financial effects that are outside the scope of the requirements of applicable accounting standards</del>	<b>Deleted</b> Deleted for reduction purpose.
AR 68. Currently, there is no commonly accepted methodology to assess or measure how material physical risks and transition risks may affect the undertaking's future financial position, financial, performance and cash flows. Therefore, the disclosure of the financial effects (as required by paragraphs 64, 66 and 67) will depend on the undertaking's internal methodology and the exercise of significant judgement in determining the inputs, and assumptions needed to quantify their anticipated financial effects.	<del>AR 68. Currently, there is no commonly accepted methodology to assess or measure how material physical risks and transition risks may affect the undertaking's future financial position, financial, performance and cash flows. Therefore, the disclosure of the financial effects (as required by paragraphs 64, 66 and 67) will depend on the undertaking's internal methodology and the exercise of significant judgement in determining the inputs, and assumptions needed to quantify their anticipated financial effects.</del>	<b>Deleted</b> Deleted for reduction purpose.
<b>Calculation guidance</b> - Anticipated financial effects from material physical risks AR 69. When disclosing the information required under paragraphs 64 (a) and 66, the undertaking shall explain whether and how:	<del><b>Calculation guidance</b> – Anticipated financial effects from material physical risks  <b>Application Requirements:</b>  <del>AR 69. AR 30. When disclosing the information required under paragraphs paras. 40 to 42 64 (a) and 66, the undertaking shall adopt the following calculation approaches: explain whether and how:</del></del>	<b>Amended</b> Integration from [AR 73(b)]  Amended to enhance the alignment with IFRS.

	<p><u>(a) consider the time horizons (short, medium and long-term) over which the effects of <b>climate-related risks</b> and <b>opportunities</b> could reasonably be expected to occur;</u></p> <p><u>(b) include all types of assets including finance-lease / right-of-use assets;</u></p> <p><u>(c) present the monetary amounts (or percentages) as either a single amount or range;</u></p> <p><u>(d) for paragraph 41(c), present the energy efficiency class in terms of either ranges of energy consumption in kWh/m2 or the EPC (Energy Performance Certificate) label class. If the undertaking cannot obtain this information on a best-effort basis, it shall disclose the total carrying amount of the real estate assets for which the energy consumption is based on internal estimates.</u></p>	
(a) it assessed the anticipated financial effects for assets and business activities at material physical risk, including the scope of application, time horizons, calculation methodology, critical assumptions and parameters and limitations of the assessment; and	<del>(a) it assessed the anticipated financial effects for assets and business activities at material physical risk, including the scope of application, time horizons, calculation methodology, critical assumptions and parameters and limitations of the assessment; and</del>	<b>Deleted</b> Content moved [40(e)]
(b) the assessment of assets and business activities considered to be at material physical risk relies on or is part of the process to determine material physical risk as required under paragraphs 20 (b) and AR 11 and to determine climate scenarios as required under paragraphs 19 and AR 13 to AR 14. In particular, it shall explain how it has defined medium- and long-term time horizons and how these definitions are linked to the expected lifetime of the undertaking's assets, strategic planning horizons and capital allocation plans.	<del>(b) the assessment of assets and business activities considered to be at material physical risk relies on or is part of the process to determine material physical risk as required under paragraphs 20 (b) and AR 11 and to determine climate scenarios as required under paragraphs 19 and AR 13 to AR 14. In particular, it shall explain how it has defined medium- and long-term time horizons and how these definitions are linked to the expected lifetime of the undertaking's assets, strategic planning horizons and capital allocation plans.</del>	<b>Deleted</b> Deleted for reduction purpose.
AR 70. When preparing the information on assets at material physical risk that is required to be disclosed under paragraph 66 (a), the undertaking shall:	<del>AR 70. When preparing the information on assets at material physical risk that is required to be disclosed under paragraph 66 (a), the undertaking shall:</del>	<b>Deleted</b> Deleted for reduction purpose.

(a) Calculate the assets at material physical risk in terms of monetary amount and as a proportion (percentage) of total assets at the reporting date (i.e., the proportion is an estimate of the carrying value of assets at material physical risk divided by total carrying value as stated in the statement of financial position or balance sheet). The estimate of assets at material physical risk shall be derived starting from the assets recognised in the financial statements. The estimate of monetary amounts and proportion of assets at physical risk may be presented as either a single amount or range.	<del>(a) Calculate the assets at material physical risk in terms of monetary amount and as a proportion (percentage) of total assets at the reporting date (i.e., the proportion is an estimate of the carrying value of assets at material physical risk divided by total carrying value as stated in the statement of financial position or balance sheet). The estimate of assets at material physical risk shall be derived starting from the assets recognised in the financial statements. The estimate of monetary amounts and proportion of assets at physical risk may be presented as either a single amount or range.</del>	<b>Deleted</b> Content clarified in [AR 30(c)].
(b) All types of assets including finance-lease / right-of-use assets shall be considered when determining the assets at material physical risk.	<del>(b) All types of assets including finance lease / right of use assets shall be considered when determining the assets at material physical risk.</del>	<b>Deleted</b> Content clarified in [AR 30(b)].
(c) To contextualise this information, the undertaking shall: i. disclose the location of its significant assets at material physical risk. Significant assets located (52 = This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 5 exposures subjects to physical risk). This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 5 exposures subjects to physical risk.) in the EU territory shall be aggregated by NUTS codes 3 level digits (Nomenclature of Territorial Units for Statistics). For significant assets located outside EU territory, the breakdown by NUTS code will only be provided where applicable. ii. disaggregate the monetary amounts of assets at risk by acute and chronic physical risk (53 = ).	<del>(c) To contextualise this information, the undertaking shall: i. disclose the location of its significant assets at material physical risk. Significant assets located (52 = This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 5 exposures subjects to physical risk). This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 5 exposures subjects to physical risk.) in the EU territory shall be aggregated by NUTS codes 3 level digits (Nomenclature of Territorial Units for Statistics). For significant assets located outside EU territory, the breakdown by NUTS code will only be provided where applicable. ii. disaggregate the monetary amounts of assets at risk by acute and chronic physical risk (53 = ).</del>	<b>Deleted</b> Streamlined and moved to [40(b)]
(d) calculate the share of assets at material physical risk resulting from paragraph 66 (a) that is addressed by the climate change adaptation actions based on the	<del>(d) calculate the share of assets at material physical risk resulting from paragraph 66 (a) that is addressed by the climate change adaptation actions based on the information disclosed under</del>	<b>Deleted</b> Streamlined and moved to [40(c)]

information disclosed under Disclosure Requirement E1-3. This aims at approximating net risks.	<del>Disclosure Requirement E1-3. This aims at approximating net risks.</del>	
AR 71. When preparing the information required under paragraph 64 (a) and 66 (d), the undertaking may assess and disclose the share of net revenue from business activities at physical risk. This disclosure	<del>AR 71. When preparing the information required under paragraph 64 (a) and 66 (d), the undertaking may assess and disclose the share of net revenue from business activities at physical risk. This disclosure</del>	<b>Deleted</b> Deleted for reduction purpose.
(a) shall be based on the net revenue in line with the requirements in accounting standards applied for financial statements, i.e., IFRS 15 or local GAAP.	<del>(a) shall be based on the net revenue in line with the requirements in accounting standards applied for financial statements, i.e., IFRS 15 or local GAAP.</del>	<b>Deleted</b> Deleted for reduction purpose.
(b) may include a breakdown of the undertaking's business activities with the corresponding details of the associated percentage of total net revenue, the risk factors (hazards, exposure and sensitivity) and, if possible, the magnitude of the anticipated financial effects in terms of margin erosion over the short-, medium- and long-term time horizons. The nature of business activities may also be disaggregated by operating segments if the undertaking has disclosed the contribution of margins by operational segments in its segment reporting in the financial statements.	<del>(b) may include a breakdown of the undertaking's business activities with the corresponding details of the associated percentage of total net revenue, the risk factors (hazards, exposure and sensitivity) and, if possible, the magnitude of the anticipated financial effects in terms of margin erosion over the short-, medium- and long-term time horizons. The nature of business activities may also be disaggregated by operating segments if the undertaking has disclosed the contribution of margins by operational segments in its segment reporting in the financial statements.</del>	<b>Deleted</b> Deleted for reduction purpose.
<b>Calculation guidance</b> - Anticipated financial effects from transition risk AR 72. When disclosing the information required under paragraphs 64 (b) and 67 (a), the undertaking shall explain whether and how:	<del><b>Calculation guidance</b> - Anticipated financial effects from transition risk AR 72. When disclosing the information required under paragraphs 64 (b) and 67 (a), the undertaking shall explain whether and how:</del>	<b>Deleted</b> Deleted for reduction purpose.
(a) it has assessed the potential effects on future financial performance and position for assets and business activities at material transition risk, including the scope of application, calculation methodology, critical assumptions and parameters, and limitations of the assessment; and	<del>(a) it has assessed the potential effects on future financial performance and position for assets and business activities at material transition risk, including the scope of application, calculation methodology, critical assumptions and parameters, and limitations of the assessment; and</del>	<b>Deleted</b> Moved to [41(g)]

(b) the assessment of assets and business activities considered to be at material transition risk relies on or is part of the process to determine material transition risks as described under paragraphs 20 (c) and AR 11 and to determine scenarios as required under paragraphs AR 12 to AR 13. In particular, it shall explain how it has defined medium- and long-term time horizons and how these definitions are linked to the expected lifetime of the undertaking's assets, strategic planning horizons and capital allocation plans.	<del>(b) the assessment of assets and business activities considered to be at material transition risk relies on or is part of the process to determine material transition risks as described under paragraphs 20 (c) and AR 11 and to determine scenarios as required under paragraphs AR 12 to AR 13. In particular, it shall explain how it has defined medium- and long-term time horizons and how these definitions are linked to the expected lifetime of the undertaking's assets, strategic planning horizons and capital allocation plans.</del>	<b>Moved</b> Streamlined with revised [AR 30(a)]
AR 73. When disclosing the information on assets at material transition risk as required under paragraphs 67 (a) and (b):	<del>AR 73. When disclosing the information on assets at material transition risk as required under paragraphs 67 (a) and (b):</del>	<b>Deleted</b> Deleted for reduction purpose.
(a) the undertaking shall at the very least include an estimate of the amount of potentially stranded assets (in monetary amounts and as a proportion/percentage) from the reporting year until 2030 and from 2030 to 2050.  Stranded assets are understood as the active or firmly planned key assets of the undertaking with significant locked-in GHG emissions over their operating lifetime. Firmly planned key assets are those that the undertaking will most likely deploy within the next 5 years. The amount may be expressed as a range of asset values based on different climate and policy scenarios, including a scenario aligned with limiting climate change to 1.5°C.	<del>(a) the undertaking shall at the very least include an estimate of the amount of potentially stranded assets (in monetary amounts and as a proportion/percentage) from the reporting year until 2030 and from 2030 to 2050.  Stranded assets are understood as the active or firmly planned key assets of the undertaking with significant locked-in GHG emissions over their operating lifetime. Firmly planned key assets are those that the undertaking will most likely deploy within the next 5 years. The amount may be expressed as a range of asset values based on different climate and policy scenarios, including a scenario aligned with limiting climate change to 1.5°C.</del>	<b>Moved</b> Moved to [41(f)]  The definition of stranded assets has been brought to the glossary.
(b) the undertaking shall disclose a breakdown of the carrying value of its real estate assets, including rights-of-use assets, by energy efficiency classes. The energy efficiency shall be represented in terms of either the ranges of energy consumption in kWh/m2 or the EPC ( 54 = 54) Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the	<del>(b) the undertaking shall disclose a breakdown of the carrying value of its real estate assets, including rights of use assets, by energy efficiency classes. The energy efficiency shall be represented in terms of either the ranges of energy consumption in kWh/m2 or the. If the undertaking cannot obtain this information on a best effort basis, it shall disclose the total</del>	<b>Deleted</b> The content has been simplified and moved to [AR 30(d)].

energy performance of buildings (OJ L 153, 18.6.2010, p. 13). (Energy Performance Certificate) (55 = This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 2 immovable property, energy efficiency of the collateral) label class. If the undertaking cannot obtain this information on a best-effort basis, it shall disclose the total carrying amount of the real estate assets for which the energy consumption is based on internal estimates.	<del>carrying amount of the real estate assets for which the energy consumption is based on internal estimates.</del>	
(c) the undertaking shall calculate the proportion (percentage) of total assets (including finance lease/right-of-use assets) at material transition risk addressed by the climate change mitigation actions based on the information disclosed under Disclosure Requirement E1-3. The total assets amount is the carrying amount on the balance sheet at the reporting date.	<del>(c) the undertaking shall calculate the proportion (percentage) of total assets (including finance lease/right-of-use assets) at material transition risk addressed by the climate change mitigation actions based on the information disclosed under Disclosure Requirement E1-3. The total assets amount is the carrying amount on the balance sheet at the reporting date.</del>	<b>Moved</b> Streamlined and moved to [AR 30(b)] for clarification purposes.
AR 74. When disclosing the information on potential liabilities from material transition risks required under paragraph 67(d):	<del>AR 74. When disclosing the information on potential liabilities from material transition risks required under paragraph 67(d):</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG
(a) undertakings that operate installations regulated under an emission trading scheme may include a range of potential future liabilities originating from these schemes;	<del>(a) undertakings that operate installations regulated under an emission trading scheme may include a range of potential future liabilities originating from these schemes;</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG
(b) undertakings subject to the EU ETS, may disclose the potential future liabilities that relate to their allocation plans for the period before and until 2030. The potential liability may be estimated on the basis of: i. the number of allowances held by the undertaking at the beginning of the reporting period;	<del>(b) undertakings subject to the EU ETS, may disclose the potential future liabilities that relate to their allocation plans for the period before and until 2030. The potential liability may be estimated on the basis of: i. the number of allowances held by the undertaking at the beginning of the reporting period;</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG

<p>ii. the number of allowances to be purchased in the market yearly, i.e., before and until 2030;</p> <p>iii. the gap between estimated future emissions under various transition scenarios and free allocations of allowances that are known for the period until 2030, and</p> <p>iv. the estimated yearly cost per tonne of CO2 for which an allowance needs to be purchased;</p>	<p><del>ii. the number of allowances to be purchased in the market yearly, i.e., before and until 2030;</del></p> <p><del>iii. the gap between estimated future emissions under various transition scenarios and free allocations of allowances that are known for the period until 2030, and</del></p> <p><del>iv. the estimated yearly cost per tonne of CO2 for which an allowance needs to be purchased;</del></p>	
<p>(c) In assessing its potential future liabilities, the undertaking may consider and disclose the number of Scope 1 GHG emission allowances within regulated emission trading schemes and the cumulative number of emission allowances stored (from previous allowances) at the beginning of the reporting period.</p>	<p><del>(c) In assessing its potential future liabilities, the undertaking may consider and disclose the number of Scope 1 GHG emission allowances within regulated emission trading schemes and the cumulative number of emission allowances stored (from previous allowances) at the beginning of the reporting period;</del></p>	<p><b>Moved</b> Deleted from mandatory content and moved to NMIG</p>
<p>(d) undertakings disclosing volumes of carbon credits planned to be cancelled in the near future (Disclosure Requirement E1-7) may disclose the potential future liabilities associated with those based on existing contractual agreements;</p>	<p><del>(d) undertakings disclosing volumes of carbon credits planned to be cancelled in the near future (Disclosure Requirement E1-7) may disclose the potential future liabilities associated with those based on existing contractual agreements;</del></p>	<p><b>Moved</b> Deleted from mandatory content and moved to NMIG</p>
<p>(e) the undertaking may also include its monetised gross Scope 1, 2 and total GHG emissions (in monetary units) calculated as follows:</p> <p>i. monetised Scope 1 and 2 GHG emissions in the reporting year by the following formula: (a) XXX</p> <p>ii. monetised total GHG emissions in the reporting year by the following formula: (b) XXX</p> <p>iii. by use of a lower, middle and upper cost rate (56 = The cost rate is the factor used to convert non-monetary impacts like tonnes, hectares, m3 etc. into monetary units. Cost rates should be based on monetary valuation studies, need to be science-based and the methods used to obtain them transparent. Guidance on these methods can be obtained, e.g., from the EU-LIFE-funded TRANSPARENT project). for GHG emissions (e.g., market carbon price and different</p>	<p><del>(e) the undertaking may also include its monetised gross Scope 1, 2 and total GHG emissions (in monetary units) calculated as follows:</del></p> <p><del>i. monetised Scope 1 and 2 GHG emissions in the reporting year by the following formula: (a) XXX</del></p> <p><del>ii. monetised total GHG emissions in the reporting year by the following formula: (b) XXX</del></p> <p><del>iii. by use of a lower, middle and upper cost rate (56 = The cost rate is the factor used to convert non-monetary impacts like tonnes, hectares, m3 etc. into monetary units. Cost rates should be based on monetary valuation studies, need to be science-based and the methods used to obtain them transparent. Guidance on these methods can be obtained, e.g., from the EU-LIFE-funded TRANSPARENT project). for GHG emissions (e.g., market carbon price and different estimates for the societal costs of carbon) and reasons for selecting them.</del></p>	<p><b>Moved</b> Deleted from mandatory content and moved to NMIG</p>



estimates for the societal costs of carbon) and reasons for selecting them.		
AR 75. Other approaches and methodologies may be applied to assess how transition risks may affect the future financial position of the undertaking. In any case, the disclosure of anticipated financial effects shall include a description of the methodologies and definitions used by the undertaking.	<del>AR 75. Other approaches and methodologies may be applied to assess how transition risks may affect the future financial position of the undertaking. In any case, the disclosure of anticipated financial effects shall include a description of the methodologies and definitions used by the undertaking.</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG
AR 76. When preparing the information required under paragraph 67 (e), the undertaking may assess and disclose the share of net revenue from business activities at transition risks. This disclosure:	<del>AR 76. When preparing the information required under paragraph 67 (e), the undertaking may assess and disclose the share of net revenue from business activities at transition risks. This disclosure:</del>	<b>Deleted</b> Deleted for reduction purpose.
(a) shall be based on the net revenue in line with the requirements in accounting standards applied for financial statements, i.e., IFRS 15 or local GAAP.	<del>(a) shall be based on the net revenue in line with the requirements in accounting standards applied for financial statements, i.e., IFRS 15 or local GAAP.</del>	<b>Deleted</b> Deleted for reduction purpose.
(b) may include a breakdown of the undertaking's business activities with the corresponding details of the associated percentage of current net revenue, risk factors (events and exposure), and when possible, the anticipated financial effects related to margin erosion over the short-, medium- and long-term. The nature of business activities may also be disaggregated by operating segments if the undertaking has disclosed the contribution of margins by operational segments in its segment reporting in the financial statements.	<del>(b) may include a breakdown of the undertaking's business activities with the corresponding details of the associated percentage of current net revenue, risk factors (events and exposure), and when possible, the anticipated financial effects related to margin erosion over the short-, medium- and long-term. The nature of business activities may also be disaggregated by operating segments if the undertaking has disclosed the contribution of margins by operational segments in its segment reporting in the financial statements.</del>	<b>Moved</b> Deleted from mandatory content and moved to NMIG
Connectivity with financial reporting information  AR 77. The reconciliation of the significant amount of assets, liabilities, and net revenue (vulnerable to either material physical risks or transition risks) to the relevant line item or disclosure (e.g., in segment reporting) in the financial statements (as required by paragraph 68) may be presented by the undertaking as follows: (a) as a cross-reference to the related line item or disclosure	<del>Connectivity with financial reporting information  AR 77. The reconciliation of the significant amount of assets, liabilities, and net revenue (vulnerable to either material physical risks or transition risks) to the relevant line item or disclosure (e.g., in segment reporting) in the financial statements (as required by paragraph 68) may be presented by the undertaking as follows: (a) as a cross-reference to the related line item or disclosure in the financial statements if these amounts are identifiable in the financial statements; or (b) If these cannot be directly cross-</del>	<b>Deleted</b> Deleted for reduction purpose.

in the financial statements if these amounts are identifiable in the financial statements; or (b) If these cannot be directly cross-referenced, as a quantitative reconciliation of each to the relevant line item or disclosure in the financial statement using the below tabular format: Carrying amount of assets or liabilities or net revenue vulnerable to either material physical or transition risks Adjusting items Assets or liabilities or net revenue in the financial statement.	<del>referenced, as a quantitative reconciliation of each to the relevant line item or disclosure in the financial statement using the below tabular format: Carrying amount of assets or liabilities or net revenue vulnerable to either material physical or transition risks Adjusting items Assets or liabilities or net revenue in the financial statement.</del>	
AR 78. The undertaking shall ensure the consistency of data and assumptions to assess and report the anticipated financial effects from material physical risks and transition risks in the sustainability statement with the corresponding data and assumptions used for the financial statements (e.g., carbon prices used for assessing impairment of assets, the useful life of assets, estimates and provisions). The undertaking shall explain the reasons for any inconsistencies (e.g., if the full financial implications of climate-related risks are still under assessment or are not deemed material in the financial statements).	<del>AR 78. The undertaking shall ensure the consistency of data and assumptions to assess and report the anticipated financial effects from material physical risks and transition risks in the sustainability statement with the corresponding data and assumptions used for the financial statements (e.g., carbon prices used for assessing impairment of assets, the useful life of assets, estimates and provisions). The undertaking shall explain the reasons for any inconsistencies (e.g., if the full financial implications of climate-related risks are still under assessment or are not deemed material in the financial statements).</del>	<b>Deleted</b> Deleted for reduction purpose.
AR 79. For potential future effects on liabilities (as required by paragraph 67 (d)), if applicable, the undertaking shall cross-reference the description of the emission trading schemes in the financial state.	<del>AR 79. For potential future effects on liabilities (as required by paragraph 67 (d)), if applicable, the undertaking shall cross-reference the description of the emission trading schemes in the financial state.</del>	<b>Deleted</b> Deleted for reduction purpose.
Climate-related opportunities AR 80. When disclosing the information under paragraph 69 (a), the undertaking shall explain the nature of the cost savings (e.g., from reduced energy consumption), the time horizons and the methodology used, including the scope of the assessment, critical assumptions, and limitations, and whether and how scenario analysis was applied.	<del>Climate related opportunities AR 80. When disclosing the information under paragraph 69 (a), the undertaking shall explain the nature of the cost savings (e.g., from reduced energy consumption), the time horizons and the methodology used, including the scope of the assessment, critical assumptions, and limitations, and whether and how scenario analysis was applied.</del>	<b>Deleted</b> As 69 has been deleted from mandatory content and moved to NMIG, this has been deleted.
AR 81. When disclosing the information required under paragraph 69 (b), the undertaking shall explain how it	<del>AR 81. When disclosing the information required under paragraph 69 (b), the undertaking shall explain how it has assessed the</del>	<b>Deleted</b>

has assessed the market size or any expected changes to net revenue from low-carbon products and services or adaptation solutions including the scope of the assessment, the time horizon, critical assumptions, and limitations and to what extent this market is accessible to the undertaking. The information on the market size may be put in perspective to the current taxonomy-aligned revenue disclosed under the provisions of Regulation (EU) 2020/852. The entity may also explain how it will pursue its climate-related opportunities and, where possible, this should be linked to the disclosures on policies, targets and actions under Disclosure Requirements E1-2, E1-3 and E1-4.	<del>market size or any expected changes to net revenue from low-carbon products and services or adaptation solutions including the scope of the assessment, the time horizon, critical assumptions, and limitations and to what extent this market is accessible to the undertaking. The information on the market size may be put in perspective to the current taxonomy-aligned revenue disclosed under the provisions of Regulation (EU) 2020/852. The entity may also explain how it will pursue its climate-related opportunities and, where possible, this should be linked to the disclosures on policies, targets and actions under Disclosure Requirements E1-2, E1-3 and E1-4.</del>	As 69 has been deleted from mandatory content and moved to NMIG, this has been deleted.
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