



LOG OF AMENDMENTS

ESRS E5

RESOURCE USE AND
CIRCULAR ECONOMY



JULY 2025



EFrag

Log of Amendments by Standard - ESRS E5 *Resource use and circular economy*

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 E5 *Resource use and circular economy*.
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 E5) 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.

| Objective | | Comment/Rationale |
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| ESRS E5 Set1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> | |
| 1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand: | 1. The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand: 1. When reporting in accordance with the ESRS, the sustainability statement shall cover the information in relation to E5 the reporting undertaking has identified material impacts, risks and opportunities related to <i>Resource Use and Circular Economy</i> , when this topic is related to material impacts, risks and opportunities. The disclosure on the material impacts, risks and opportunities is expected to cover policies, actions and targets (if in place), dependencies when relevant, metrics and the related financial effects. | Amended Merged and streamlined paragraphs 1(a), 1(b), 1(c), 1(d) and 1(e) into this paragraph for conciseness. |
| (a) how the undertaking affects resource use, including resource efficiency, avoiding the depletion of resources and the sustainable sourcing and use of renewable resources (referred to in this Standard as “resource use and circular economy”) in terms of material positive and negative actual or potential <i>impacts</i> ; | (a) how the undertaking affects resource use, including resource efficiency, avoiding the depletion of resources and the sustainable sourcing and use of renewable resources (referred to in this Standard as “resource use and circular economy”) in terms of material positive and negative actual or potential impacts ; | Deleted Streamlined into current paragraph 1 for conciseness. |
| (b) any <i>actions</i> taken, and the result of such actions, to prevent or mitigate actual or potential negative impacts arising from resource use, including its measures to help decoupling its economic growth from the use of materials, and to address risks and opportunities; | (b) any actions taken, and the result of such actions, to prevent or mitigate actual or potential negative impacts arising from resource use, including its measures to help decoupling its economic growth from the use of materials, and to address risks and opportunities; | Deleted Streamlined into current paragraph 1 for conciseness. |
| ESRS E5 Set1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 <i>Resource use and Circular economy</i> | Comment/Rationale |

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| (c) the plans and capacity of the undertaking to adapt its strategy and business model in line with circular economy principles including but not limited to minimising waste, maintaining the value of products, materials and other resources at their highest value and enhancing their efficient use in production and consumption; | (c) — the plans and capacity of the undertaking to adapt its strategy and business model in line with circular economy principles including but not limited to minimising waste, maintaining the value of products, materials and other resources at their highest value and enhancing their efficient use in production and consumption; | Deleted Streamlined into current paragraph 1 for conciseness. |
| (d) the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies, arising from resource use and circular economy, and how the undertaking manages them; and | (d) — the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies, arising from resource use and circular economy, and how the undertaking manages them; and | Deleted Streamlined into current paragraph 1 for conciseness. |
| (e) the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on resource use and circular economy. | (e) — the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking's impacts and dependencies on resource use and circular economy. | Deleted Streamlined into current paragraph 1 for conciseness. |
| | <u>2. The objective of this Standard is to specify Disclosure Requirements ('DRs') in relation to these items of information, that are not covered in ESRS 2.</u> | New Specification introduced across topical standards to highlight interaction with ESRS 2. |
| | <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> | New Specification introduced across topical standards to highlight the approach to disclose information on material topics in accordance with ESRS 1 and 2. |
| 2. This Standard sets out Disclosure Requirements related to "resource use" and "circular economy" and in particular on: | 2. 4 This Standard sets out Disclosure Requirements related to "resource use" and "circular economy" and in particular on sub-topics: | Amended Connection with topics listed in AR 16 strengthened, in alignment with similar amendments in other standards. Minor editorial changes to clearly highlight the various resource use and circular economy sub-topics. |
| (a) resource inflows including the circularity of material resource inflows, considering renewable and non-renewable resources; and | (a) resource inflows <u>(including mineral and biotic marine resources); including the circularity of material resource inflows, considering renewable and non-renewable resources; and</u> | Amended Added reference to marine resources |

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| (b) resource outflows including information on products and materials; and | (b) resource outflows: including information on products and materials <u>services</u> ; | Amended Modified as per new ESRS E5 which include 'services' |
| (c) waste. | (c) <u>resource outflows</u> : waste. | Amended |
| | <u>5. The undertaking shall apply the provisions of ESRS 2, paragraphs 30 to 33 and GDR-P, GDR-A and GDR-T. In particular:</u> | New Specification introduced across topical standards to highlight interaction with ESRS 2. Substitutes former paragraph 9. |
| | <u>(a) if the undertaking has not adopted policies, actions and targets with reference to a topic related to material impacts, risks and opportunities, it shall disclose this fact;</u> | New Specification introduced across topical standards to highlight interaction with ESRS 2. |
| | <u>(b) the undertaking shall present the description of its material impacts, risks and opportunities, in accordance with ESRS 2 IRO-2, alongside information about its policies, actions, targets and metrics through which it addresses them, to avoid duplication and support a coherent narrative.</u> | New Specification introduced across topical standards to highlight interaction with ESRS 2. |
| | <u>6. In this Standard, each DR is introduced by a disclosure objective, with the exception of policies, actions and targets, for which the provisions in GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant disclosures.</u> | New Specification introduced across topical standards to highlight interaction with ESRS 2. |
| 3. Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy. The goal is to maximise and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, remanufacturing, recycling and nutrient cycling. | 3. Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy. The goal is to maximise and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, remanufacturing, recycling and nutrient cycling. represents a key pillar the <u>in the EU Green Deal (2019), which sets ambition for the EU to become a global leader in circular economy practices by 2030.</u> | Amended Streamlined and added the reference to the EU Green Deal (2019) |

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| 4. This Standard builds on relevant EU legislative frameworks and policies including the EU Circular Economy Action Plan, Directive 2008/98/EC of the European Parliament and of the Council (90) (Waste Framework Directive) and the EU industrial strategy. | 4. 8. To ensure coherence with the evolving EU legislative framework, this The objective of this Standard builds shall also enable users of the sustainability statement to understand the plans and capacity of the undertaking to adapt its strategy and business model in line is closely interlinked aligned with on relevant EU policies and instruments that underpin the circular transition. These include, among others) the legislative frameworks and policies including the EU Circular Economy Action Plan (2020), the Eco-design for Sustainable Products Regulation (ESPR) (Regulation (EU) 2024/1781), the Waste Framework Directive, (WFD) (Directive 2008/98/EC), and the Right to Repair Directive (R2R) (Directive (EU) 2024/1799). of the European Parliament and of the Council (90) (Waste Framework Directive) and the EU industrial strategy, the EU Clean Industrial Deal, the EU Clean Industrial Deal and the Eco-design Requirements for Sustainable Products Regulation (ESPR). | Amended The list of legislative references was updated to include the main sources forming the basis of ESRS E5. |
| 5. To evaluate the transition from business as usual, meaning an economy in which finite resources are extracted to make products that are used and then thrown away (“take-make-waste”), to a circular economic system, this Standard relies on the identification of the physical flows of resources, materials and products used and generated by the undertaking through Disclosure Requirement E5-4 Resource inflows and Disclosure Requirement E5-5 Resource outflows | 5. To evaluate the transition from business as usual, meaning an economy in which finite resources are extracted to make products that are used and then thrown away (“take-make-waste”), to a circular economic system, this Standard relies on the identification of the physical flows of resources, materials and products used and generated by the undertaking through Disclosure Requirement E5-4 Resource inflows and Disclosure Requirement E5-5 Resource outflows | Deleted |
| Interactions with other ESRS | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |
| 6. Resource use is a major driver of other environmental impacts such as climate change, pollution , water and marine resources and biodiversity. A circular economy is a system that tends towards sustainable use of resources in extraction, processing, production, consumption and management of waste . Such system brings multiple environmental benefits, in particular, the reduction of material and energy consumption and emissions into the air (greenhouse gas emissions or other pollution), the limitation of water | 6. Resource use is a major driver of other environmental impacts such as climate change, pollution , water and marine resources and biodiversity. A circular economy is a system that tends towards sustainable use of resources in extraction, processing, production, consumption and management of waste . Such system brings multiple environmental benefits, in particular, the reduction of material and energy consumption and emissions into the air (greenhouse gas emissions or other pollution), the limitation of water withdrawals and discharges and the regeneration of nature limiting the impact on biodiversity. | |

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| withdrawals and discharges and the regeneration of nature limiting the impact on biodiversity. | | |
| 7. To provide a comprehensive overview of which other environmental matters could be material to resource use and circular economy, relevant disclosure requirements are covered in other environmental ESRS as follows: | 7. To provide a comprehensive overview of which other environmental matters could be material to resource use and circular economy, relevant disclosure requirements are covered in other environmental ESRS as follows: <u>9. Social and environmental topics closely interact with each other. The main points of interaction between E5 and the different ESRS topical standards are the following:</u> | Amended Minor editorial changes to streamline and improve the paragraph's clarity. Included reference to 'social' topics as former paragraph 8 is merged into new points (e) and (f) below. |
| (a) ESRS E1 Climate change , which addresses, in particular, GHG emissions and energy resources (energy consumption); | (a) ESRS E1 Climate change, which addresses, in particular, <u>(GHG emissions and energy resources (energy consumption) – E5 related activities (resource extraction, production & transformation) are, by nature,</u> energy-intensive ones and generate high levels of greenhouse gas ('GHG') emissions. Collecting integrating circularity and energy efficiency in own operations and value chain can lead to reduction in carbon footprint. | Amended Minor editorial changes to improve clarity of boundaries between ESRS E1 and ESRS E5. |
| (b) ESRS E2 Pollution , which addresses, in particular, emissions to water, air and soil as well as substances of concern ; | (b) ESRS E2 Pollution, which addresses, in particular, <u>(emissions to water, air and soil as well as substances of concern) – E5 related activities can have extensive pollution related effects. For example, industrial waste disposal that may pose significant pollution risks, particularly when it contains hazardous substances or is not subject to appropriate treatment.</u> | Amended Minor editorial changes to improve clarity of boundaries between ESRS E2 and ESRS E5. |
| (c) ESRS E3 Water and marine resources , which addresses, in particular, water resource (water consumption) and marine resources; and | (c) ESRS E3 Water and marine resources, which addresses, in particular, <u>(use and management of water resource) water consumption) and marine resources – E5 related activities require large volumes of water, often operating in water-stressed areas. This puts pressure on local water systems and may exacerbate water scarcity. A circular economy approach can significantly reduce water-related impacts by improving water use efficiency, implementing closed-loop water systems, and enabling water reuse and recycling.</u> | Amended Minor editorial changes to improve clarity of boundaries between ESRS E3 and ESRS E5. |
| (d) ESRS E4 Biodiversity and ecosystems , which addresses, in particular, ecosystems, species and raw materials. | (d) ESRS E4 Biodiversity and ecosystems which addresses, in particular, <u>(ecosystems and species and raw materials.) – E5 related activities can cause habitat destruction and ecosystem fragmentation (mainly due to value chain-related issues), resulting in biodiversity loss. Transitioning to a circular economy helps alleviate these pressures by reducing the need for virgin material extraction and ensuring proper waste treatment.</u> | Amended Minor editorial changes to improve clarity of boundaries between ESRS E4 and ESRS E5. |

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| 8. The undertaking's impacts related to resource use and circular economy, in particular impacts related to waste, can affect people and communities. Material negative impacts on affected communities from resource use and circular economy attributable to the undertaking are covered in ESRS S3 Affected communities. The efficient and circular use of resources also benefits competitiveness and economic wellbeing | (e) The undertaking's impacts related to resource use and circular economy, in particular impacts related to waste, can affect people and communities. Material negative impacts on affected communities from resource use and circular economy attributable to the undertaking are covered in ESRS S3 Affected communities. The efficient and circular use of resources also benefits competitiveness and economic wellbeing | Deleted Former paragraph 8 edited and included as 9 (e) and (f) for consistency (all interactions with other ESRS listed under same paragraph). |
| 9. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures. | 9. This Standard should be read in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures. | Deleted Substituted by new paragraph 5. |
| | <u>(e) ESRS S1 Own operation (working conditions and health and safety) – E5 related activities often involve intensive resource extraction, manufacturing, or waste processing, which can expose workers to hazardous conditions and low-wage labour, especially in lower tiers of the value chain. A circular economy approach can support safer and more sustainable employment by promoting local repair, remanufacturing, and recycling sectors, improving job quality and creating green employment opportunities in more regulated environments.</u> | New Clarified interconnection with social standards following comments from EFRAG's working group discussions and request to clarify clearly the interactions with other ESRS topical standards. |
| | <u>(f) ESRS S4 Consumers and end users (information-related impacts on consumers and/or end users) – E5 related activities endorses collaboration with consumers by promoting durable, repairable, and recyclable products, increasing transparency about environmental impacts, and enabling more sustainable consumption patterns through models such as product-as-a-service, reuse, and sharing systems.</u> | New Clarified interconnection with social standards following comments from EFRAG's working group discussions and request to clarify clearly the interactions with other ESRS topical standards. |
| ESRS 2 General Disclosures Requirements | | |
| 10. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ESRS 2 chapter 4 <i>Impact, risk and opportunity management</i> . | 10. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ESRS 2 chapter 4 <i>Impact, risk and opportunity management</i>. | Deleted Substituted by new paragraph 5. |
| Impact, risk and opportunity management | | |

| Disclosure Requirement related to ESRS 2 IRO 1 — Description of the processes to identify and assess material resource use and circular economy related impacts, risks and opportunities | | |
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| 11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: | 11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: | Deleted Deleted for reduction purposes, as already addressed in ESRS 2 (also remarked during the public call process), and based on EFRAG decision not to have IRO-1 sections in the topical standards. |
| (a) whether the undertaking has screened its assets and activities in order to identify its actual and potential <i>impacts, risks and opportunities</i> in its own operations and its upstream and downstream value chain, and if so, the methodologies, assumptions and tools used in the screening; | (a) — whether the undertaking has screened its assets and activities in order to identify its actual and potential impacts, risks and opportunities in its own operations and its upstream and downstream value chain, and if so, the methodologies, assumptions and tools used in the screening; | Deleted Deleted for reduction purposes, as already addressed in ESRS 2 (also remarked during the public call process), and based on EFRAG decision not to have IRO-1 sections in the topical standards. |
| (b) whether and how the undertaking has conducted consultations, in particular, with affected communities. | (b) — whether and how the undertaking has conducted consultations, in particular, with affected communities. | Deleted Deleted for reduction purposes, as already addressed in ESRS 2 (also remarked during the public call process), and based on EFRAG decision not to have IRO-1 sections in the topical standards. |
| Disclosure Requirement E5-1 – Policies related to resource use and circular economy | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> | |
| 12. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to resource use and circular economy. | 12. <u>10.</u> The undertaking shall <u>disclose its resource use and circular economy policies</u> describe its policies adopted to manage its material impacts, risks and opportunities related to resource use and circular economy, <u>in accordance with the provisions of ESRS 2 GDR-P. “Policies”.</u> | Amended [NMIG 1 contains related guidance for paragraph10] Streamlined and merged with former paragraph 14. |

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| 13. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of its material impacts, risks and opportunities related to resource use and circular economy. | 13. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of its material impacts, risks and opportunities related to resource use and circular economy. | Deleted EFRAG recommended the deletion of this objective paragraph for conciseness, since it does not add much to the content. |
| 14. The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to resource use and circular economy in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. | 14. The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to resource use and circular economy in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. <u>11. In addition to the information required by ESRS 2 GDR-P, the undertaking shall explain, where applicable, how it integrates circularity and eco-design principles in its key products and services.</u> | Amended [NMIG 1 contains related guidance for paragraph 11] Aligned across environmental standards, clarifying the requirement and addressing input received during the public call. Amendment included reference to the Regulation (EU) 2024/1781 (Eco-design for Sustainable Products Regulation (ESPR). Definitions added to the Annex II: circularity and eco-design. It also partially covers former paragraph 15 and paragraph 35. |
| 15. In summary, the undertaking shall indicate whether and how its policies address the following matters where material: | 15. In summary, the undertaking shall indicate whether and how its policies address the following matters where material: | Moved Covered by current paragraph 11. |
| (a) transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources; | (a) transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources; | Moved Covered by current paragraph 11. |
| (b) sustainable sourcing and use of renewable resources. | (b) sustainable sourcing and use of renewable resources. | Moved Covered by current paragraph 11. |
| 16. Policies shall address material impacts, risks and opportunities in its own operations and along its upstream and downstream value chain. | 16. Policies shall address material impacts, risks and opportunities in its own operations and along with their upstream and downstream value chain. | Deleted Covered in ESRS 1 with a reference as GDR-P. |
| Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy | | Comment/Rationale |

| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> | |
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| 17. The undertaking shall disclose its resource use and circular economy actions and the resources allocated to their implementation. | 17-12. The undertaking shall disclose its resource use and circular economy actions, <u>and the resources allocated to their implementation, in accordance with ESRS 2 GDR-A. "Actions and Resources".</u> | Amended [NMIG 2 contains related guidance for paragraph 12] Streamlined and merged with former paragraph 19. |
| 18. The objective of this Disclosure Requirement is to enable an understanding of the key actions taken and planned to achieve the resource use and circular economy-related policy objectives and targets. | 18. The objective of this Disclosure Requirement is to enable an understanding of the key actions taken and planned to achieve the resource use and circular economy-related policy objectives and targets. | Deleted EFRAG recommended the deletion of this objective paragraph for conciseness, since it does not add much to the content. |
| 19. The description of the resource use and circular economy-related actions and resources allocated shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. | 19. The description of the resource use and circular economy-related actions and resources allocated shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. | Deleted Moved to new paragraph 12. |
| 20. In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: | 20. In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: | Deleted Covered by GDR-A. |
| (a) higher levels of resource efficiency in use of technical and biological materials and water, particularly in relation to critical raw materials and rare earths as listed in the Raw Materials Information System; | (a) — higher levels of resource efficiency in use of technical and biological materials and water, particularly in relation to critical raw materials and rare earths as listed in the Raw Materials Information System; | Deleted Removed for consistency with other E standards. Information on use of technical and biological materials, as well as on critical and strategic raw materials can be assumed by ESRS E5-4. Reference on water removed from the standards as already covered by ESRS E3. |
| (b) higher rates of use of secondary raw materials (recyclates); | (b) — higher rates of use of secondary raw materials (recyclates); | Deleted Information on use of secondary raw materials can be assumed by ESRS E5-4 and related AR, NMIG. |

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| (c) application of circular design, leading to increased product durability and optimisation of use, and higher rates of: Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling. | (c) — application of circular design, leading to increased product durability and optimisation of use, and higher rates of: Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling. | Deleted Circular design has been moved from the actions sections and integrated in policies, as well as in the metrics section. |
| (d) application of circular business practices such as (i) value retention actions (maintenance, repair, refurbishing, remanufacturing, component harvesting, upgrading and reverse logistics, closed loop systems, second-hand retailing), (ii) value maximisation actions (product-service systems, collaborative and sharing economy business models), (iii) end-of-life actions (recycling , upcycling, extended producer responsibility), and (iv) systems efficiency actions (industrial symbiosis); | (d) — application of circular business practices such as (i) value retention actions (maintenance, repair, refurbishing, remanufacturing, component harvesting, upgrading and reverse logistics, closed loop systems, second-hand retailing), (ii) value maximisation actions (product-service systems, collaborative and sharing economy business models), (iii) end-of-life actions (recycling , upcycling, extended producer responsibility), and (iv) systems efficiency actions (industrial symbiosis); | Deleted Application of circular business practices has been moved from the actions sections and integrated in policies, as well as in the metrics section. |
| (e) actions taken to prevent waste generation in the undertaking's upstream and downstream value chain; and | (e) — actions taken to prevent waste generation in the undertaking's upstream and downstream value chain; and | Deleted Removed for simplification. |
| (f) optimisation of waste management in line with the waste hierarchy . | (f) — optimisation of waste management in line with the waste hierarchy . | Deleted Removed for simplification. |
| Metrics and Targets | | |
| Disclosure Requirement E5-3 – Targets related to resource use and circular economy | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> | |
| 21. The undertaking shall disclose the resource use and circular economy-related targets it has set. | 21. 13. The undertaking shall disclose the its resource use and circular economy-related targets it has set in accordance with ESRS 2 GDR-T. <u>“Tracking effectiveness of policies and actions through targets”.</u> | Amended [NMIG 3 contains related guidance for paragraph13] Streamlined and merged with former paragraph 23. |
| 22. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has adopted to support its resource use and circular economy policy and to address its material impacts, risks and opportunities. | 22. The objective of this Disclosure Requirement is to enable an understanding of the targets the undertaking has adopted to support its resource use and circular economy policy and to address its material impacts, risks and opportunities. | Deleted EFRAG recommended the deletion of this objective paragraph for conciseness, since it does not add much to the content. |

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| 23. The description of the targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets . | 23. The description of the targets shall contain the information requirements defined in ESRS 2 MDR T Tracking effectiveness of policies and actions through targets. | Deleted Moved to new paragraph 13. |
| 24. The disclosure required by paragraph 21 shall indicate whether and how the undertaking's targets relate to resource inflows and resource outflows, including waste and products and materials, and, more specifically to: | 24. The disclosure required by paragraph 21 shall indicate whether and how the undertaking's targets relate to resource inflows and resource outflows, including waste and products and materials, and, more specifically to: | Deleted Removed for simplification. |
| (a) the increase of circular product design (including for instance design for durability , dismantling, reparability, recyclability etc); | (a) the increase of circular product design (including for instance design for durability , dismantling, reparability, recyclability etc); | Moved Deleted from mandatory content and moved to NMIG 3. Qualifies topical content (description of targets), not adding new datapoint information. |
| (b) the increase of circular material use rate ; | (b) the increase of circular material use rate ; | Moved Deleted from mandatory content and moved to NMIG 3. Qualifies topical content (description of targets), not adding new datapoint information. |
| (c) the minimisation of primary raw material; | (c) the minimisation of primary raw material; | Moved Deleted from mandatory content and moved to NMIG 3. Qualifies topical content (description of targets), not adding new datapoint information. |
| (d) sustainable sourcing and use (in line with the cascading principle) of renewable resources; | (d) sustainable sourcing and use (in line with the cascading principle) of renewable resources; | Moved Deleted from mandatory content and moved to NMIG 3. Qualifies topical content (description of targets), not adding new datapoint information. |
| (e) the waste management, including preparation for proper treatment; and | (e) the waste management, including preparation for proper treatment; and | Deleted Removed for simplification. |
| (f) other matters related to resource use or circular economy. | (f) other matters related to resource use or circular economy. | Moved |

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| | | Deleted from mandatory content and moved to NMIG 3. Qualifies topical content (description of targets), not adding new datapoint information. |
| 25. The undertaking shall specify to which layer of the waste hierarchy the target relates. | 25. The undertaking shall specify to which layer of the waste hierarchy the target relates. | Deleted Removed for simplification. |
| 26. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets . If so, the undertaking may specify: | 26. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets. If so, the undertaking may specify: | Deleted Main requirement on ecological thresholds is now a cross-cutting element (see ESRS 2 NEW GDR-T paragraph 43 (g)). |
| (a) the ecological thresholds identified, and the methodology used to identify such thresholds; | (a) the ecological thresholds identified, and the methodology used to identify such thresholds; | Deleted Main requirement on ecological thresholds is now a cross-cutting element (see ESRS 2 NEW GDR-T paragraph 43 (g)). |
| (b) whether or not the thresholds are entity-specific and if so, how they were determined; and | (b) whether or not the thresholds are entity-specific and if so, how they were determined; and | Deleted Main requirement on ecological thresholds is now a cross-cutting element (see ESRS 2 NEW GDR-T paragraph 43 (g)). |
| (c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking. | (c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking. | Deleted Main requirement on ecological thresholds is now a cross-cutting element (see ESRS 2 NEW GDR-T paragraph 43 (g)). |
| 27. The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary. | 27. The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary. | Deleted Main requirement on mandatory/voluntary nature of targets is now a cross-cutting element (see ESRS 2 NEW GDR-T paragraph 43 (f)). |
| Disclosure Requirement E5-4 – Resource inflows | | Comment/Rationale |

| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 <i>Resource use and circular economy</i> | |
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| 28. The undertaking shall disclose information on its resource inflows related to its material impacts, risks and opportunities. | 28. The undertaking shall disclose information on its resource inflows related to its material impacts, risks and opportunities. | Deleted Redundant with former paragraph 29 and 30. |
| 29. The objective of this Disclosure Requirement is to enable an understanding of the resource use in the undertaking's own operations and its upstream value chain. | 14. The objective of this Disclosure Requirement is to <u>provide enable</u> an understanding of the resource <u>inflows of use</u> in the undertaking. 's own operations and its upstream value chain. <u>This includes information on the types and quantities of resources entering the organisation, with a focus on their circularity.</u> | Amended Streamlined to better reflect the content of the new E5-4. |
| 30. The disclosure required by paragraph 28 shall include a description of its resource inflows where material: products (including packaging) and materials (specifying critical raw materials and rare earths), water and property, plant and equipment used in the undertaking's own operations and along its upstream value chain. | 30. The disclosure required by paragraph 28 shall include a description of its resource inflows where material: products (including packaging) and materials (specifying critical raw materials and rare earths), water and property, plant and equipment used in the undertaking's own operations and along its upstream value chain. | Deleted The reference to water has been taken out as it is already covered by ESRS E3. The description of resource inflows has been partially moved to new paragraph 15(a). |
| 31. When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes: | 31 15. When 'Resource Inflows' an undertaking is assessed that resource inflows are as a material sustainability matter topic, the undertaking it shall disclose the following information about the key significant following information about the following materials used to manufacture, were put on the market or were part of the delivery of and deliver the undertaking's products and services during the reporting period; in tonnes or kilogrammes: | Amended Introduced the reference to "key" materials, with its definition added to Annex II. EFRAG suggested to include a reference to companies which do not only manufacture products but also place them on the market. |
| | (a) the significant key materials used to manufacture products and provide services; | Amended Partially derived from former paragraph 30. |
| (a) the overall total weight of products and technical and biological materials used during the reporting period; | (a) (b) the overall total weight of the significant key materials with a breakdown broken down as products and technical and biological materials, used during the reporting period; per key material (in weight or percentage of total weight); | Amended Reference to biological and technical material moved to current AR 2, with their definition added to Annex II. |
| | (c) <u>the percentage of total weight of critical and strategic raw materials;</u> | New [AR 1 contains related guidance for paragraph 15(c)] Added for better alignment with recent EU regulatory developments, |

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| | | particularly the Eco-design for Sustainable Product Regulation and Critical Raw Materials Act. Included reference to the Regulation (EU) 2024/1252 (Critical Raw Materials Act), with definition of critical and strategic added to Annex II. |
| (c) the weight in both absolute value and percentage, of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging). | (e) (d) the percentage of total weight in both absolute value and percentage, of secondary resourced materials; and reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging). | Amended [AR 1 contains related guidance for paragraph15(d)] [NMIG 4 contains related guidance for paragraph15(d)] Simplified as per feedback's form public input survey and benchmarking results. Reference to recycled components moved to current paragraph 17 (d). |
| (b) the percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle; and | (b) (e) the percentage of total weight of key biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle; and | Amended [NMIG 5 contains related guidance for paragraph15(e)] The reference to the certification scheme used has been moved to NMIG 5. Definition of biological materials added to Annex II. |
| 32. The undertaking shall provide information on the methodologies used to calculate the data. It shall specify whether the data is sourced from direct measurement or estimations, and disclose the key assumptions used. | 32. The undertaking shall provide information on the methodologies used to calculate the data. It shall specify whether the data is sourced from direct measurement or estimations, and disclose the key assumptions used. | Deleted Removed to avoid imposing methodological prioritization. |
| Disclosure Requirement E5-5 – Resource outflows | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |

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| 33. The undertaking shall disclose information on its resource outflows, including waste, related to its material impacts, risks and opportunities. | 33. The undertaking shall disclose information on its resource outflows, including waste, related to its material impacts, risks and opportunities. | Deleted Redundant with prior paragraph 34. |
| 34. The objective of this Disclosure Requirement is to provide an understanding of: | 34. 16. The objective of this Disclosure Requirement is to provide an understanding of <u>how the undertaking implements circular economy by designing, manufacturing, and providing goods and services in accordance with circular economy principles, and by effectively managing waste.</u> | Amended Merged with former paragraph 34(a) and (b). |
| (a) how the undertaking contributes to the circular economy by i) designing products and materials in line with circular economy principles and ii) increasing or maximising the extent to which products, materials and waste processing are recirculated in practice after first use; and | (a) how the undertaking contributes to the circular economy by i) designing products and materials in line with circular economy principles and ii) increasing or maximising the extent to which products, materials and waste processing are recirculated in practice after first use; and | Deleted Merged with current paragraph 16. |
| (b) the undertaking's waste reduction and waste management strategy, the extent to which the undertaking knows how its pre-consumer waste is managed in its own activities. | (b) the undertaking's waste reduction and waste management strategy, the extent to which the undertaking knows how its pre-consumer waste is managed in its own activities. | Deleted Merged with current paragraph 16. |
| Products and materials-services | | |
| 35. The undertaking shall provide a description of the key products and materials that come out of the undertaking's production process and that are designed along circular principles, including durability , reusability, repairability, disassembly, remanufacturing, refurbishment, recycling , recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models. | 35. The undertaking shall provide a description of the key products and materials that come out of the undertaking's production process and that are designed along circular principles, including durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models. | Deleted Redundant. |
| 36. Undertakings for which outflows are material shall disclose: | 36. 17. The Undertakings for which outflows are material shall disclose: | Amended [NMIG 6 and NMIG 7 contain related guidance for paragraph 17] Streamlined. |

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| (a) The expected durability of the products placed on the market by the undertaking, in relation to the industry average for each product group; | (a) The expected information on the expected durability of the its key products; placed on the market by the undertaking, in relation to the industry average for each product group | Amended Reference to industry average moved to NMIG 8. Definition of durability added to Annex II |
| (b) The reparability of products, using an established rating system, where possible; | (b) The information on the scope of reparability of its key products; using an established rating system, where possible; | Amended Reference to established rating system moved to NMIG 8. Definition of scope of reparability added to Annex II |
| (c) The rates of recyclable content in products and their packaging . | (c) the rates of recyclable content materials <u>included</u> in its key products and their packaging; and | Amended [AR 3 contains related guidance for paragraph17(c)] |
| | (d) <u>the rate of recycled materials used in its key products.</u> | Reformulation [AR 3 contains related guidance for paragraph17(d)] Based on former paragraph 31 (c). Moved here for completeness with the Regulation (EU) 2024/1781 (Eco-design for Sustainable Products Regulation (ESPR)) and streamlined with unclear indicators that were included in Set1. |
| Waste | | |
| 37. The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: | 37. 18. The undertaking shall disclose the following information on its total amount of waste from its own operations; in tonnes or kilogrammes; | Amended |
| | (a) <u>a description of the waste streams relevant to its sector or activities;</u> | Amended [AR 5 contains related guidance for paragraph18] [NMIG 9 contains related guidance for paragraph18(a)] Moved here from former paragraph 38(a). |
| (a) the total amount of waste generated; | (a) (b) the total amount weight of waste generated; | Unchanged |

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| | | [AR 4 contains related guidance for paragraph18(b)] [NMIG 10 contains related guidance for paragraph18(b)] |
| (b) the total amount by weight diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste and a breakdown by the following recovery operation types: i. Preparations for reuse ii. Recycling iii. other recovery operations. | (b) (c) the <u>percentage and/or total amount by weight</u> diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste, and a breakdown by the following recovery operation types: i. P preparations for reuse; ii. R ecycling; and iii. O ther recovery operations; | Unchanged [AR 4 contains related guidance for paragraph18(c)] [NMIG 11 contains related guidance for paragraph18(c)(iii)] |
| (c) the amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are: i. Incineration ii. Landfill iii. other disposal operations | (c) (d) the <u>percentage and/or total amount by weight</u> directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste, <u>and a breakdown by the following disposal operation types:</u> The waste treatment types to be disclosed are: i. Incineration <u>Thermal-based disposal</u> ; ii. Landfill ; and iii. other disposal operations. | Amended [AR 4 contains related guidance for paragraph18(d)] [NMIG 11 contains related guidance for paragraph18(d)(i) and NMIG contains related guidance for paragraph18(d)(iii)] Streamlined with current paragraph 18(c). |
| | <u>(e) the percentage and/or total weight for which the final destination is unknown.</u> | New [AR 4 contains related guidance for paragraph 18(e)] Added to allow mass balance of final destination of waste to be completely disclosed, not forcing companies to make unreasonable estimations but instead allowing them to disclose on the figures they have and can reasonably document. |
| (d) the total amount and percentage of non-recycled waste (⁹¹) . | (d) the total amount and percentage of non-recycled waste. | Deleted Removed as it can be derived from current paragraph 18(c)(ii). |
| 38. When disclosing the composition of the waste , the undertaking shall specify: | 38. When disclosing the composition of the waste, the undertaking shall specify: | Deleted |

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| (a) the waste streams relevant to its sector or activities (e.g. tailings for the undertaking in the mining sector, electronic waste for the undertaking in the consumer electronics sector, or food waste for the undertaking in the agriculture or in the hospitality sector); and; | (a) the waste streams relevant to its sector or activities (e.g. tailings for the undertaking in the mining sector, electronic waste for the undertaking in the consumer electronics sector, or food waste for the undertaking in the agriculture or in the hospitality sector); and; | Deleted Moved to new paragraph 18(a). |
| (b) the materials that are present in the waste (e.g. biomass, metals, non-metallic minerals, plastics, textiles, critical raw materials and rare earths). | (b) the materials that are present in the waste (e.g. biomass, metals, non-metallic minerals, plastics, textiles, critical raw materials and rare earths). | Deleted |
| 39. The undertaking shall also disclose the total amount of hazardous waste and radioactive waste generated by the undertaking, where radioactive waste is defined in Article 3(7) of Council Directive 2011/70/Euratom (92) . | 39-19. If applicable, the undertaking shall also disclose the total amount of hazardous waste and radioactive waste it generates by the undertaking, where radioactive waste is defined in Article 3(7) of Council Directive 2011/70/Euratom (92). | Deleted / Unchanged [AR 4 contains related guidance for paragraph19] Unchanged the disclosure on radioactive waste but deleted the disclosure on hazardous waste as the total amount of it can be derived by current paragraph18(c) and (d). |
| 40. The undertaking shall provide contextual information on the methodologies used to calculate the data and in particular the criteria and assumptions used to determine and classify products designed along circular principles under paragraph 35. It shall specify whether the data is sourced from direct measurement or estimations; and disclose the key assumptions used. | 40. The undertaking shall provide contextual information on the methodologies used to calculate the data and in particular the criteria and assumptions used to determine and classify products designed along circular principles under paragraph 35. It shall specify whether the data is sourced from direct measurement or estimations; and disclose the key assumptions used. | Deleted Removed to avoid imposing methodological prioritization. |
| Disclosure Requirement E5-6 – Anticipated financial effects from material resource use and circular economy related risks and opportunities | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |
| 41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts. | 41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts. | |

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| 42. The information required by paragraph 41 is in addition the information on current financial effects on the entity's financial position, financial performance and cash flows for the reporting period required under ESRS 2 SBM-3 para 48 The objective of this Disclosure Requirement is to provide an understanding of: | 42. The information required by paragraph 41 is in addition the information on current financial effects on the entity's financial position, financial performance and cash flows for the reporting period required under ESRS 2 SBM-3 para 48 (d). The objective of this Disclosure Requirement is to provide an understanding of: | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |
| (a) anticipated financial effects due to material risks arising from material resource use and circular economy - related impacts and dependencies and how these risks have or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance performance, and cash flows over the short-, medium- and long-term; and | (a) anticipated financial effects due to material risks arising from material resource use and circular economy - related impacts and dependencies and how these risks have or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance performance, and cash flows over the short-, medium- and long-term; and | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |
| (b) anticipated financial effects due to material opportunities related to resource use and circular economy. | (b) anticipated financial effects due to material opportunities related to resource use and circular economy. | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |
| 43. The disclosure shall include: | 43. The disclosure shall include: | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |
| (a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information); | (a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information); | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |
| (b) a description of the effects considered the impacts and dependencies to which they relate and the time horizons in which they are likely to materialise; | (b) a description of the effects considered the impacts and dependencies to which they relate and the time horizons in which they are likely to materialise; | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |

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| (c) the critical assumptions used to quantify the anticipated financial effects , as well as the sources and level of uncertainty of those assumptions. | (c) the critical assumptions used to quantify the anticipated financial effects , as well as the sources and level of uncertainty of those assumptions. | Deleted As per outreach input. Now addressed as a cross-cutting element in ESRS 2. |
| Appendix A Application Requirements | | |
| Disclosure requirement related to ESRS 2 IRO-1 — Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |
| AR 1. When conducting a materiality assessment on environmental subtopics, the undertaking shall assess the materiality of resource use and circular economy in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach: | AR 1. When conducting a materiality assessment on environmental subtopics, the undertaking shall assess the materiality of resource use and circular economy in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach: | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (a) Phase 1: locate where in the undertaking's own operations and along its upstream and downstream value chain the interface with nature takes place; | (a) Phase 1: locate where in the undertaking's own operations and along its upstream and downstream value chain the interface with nature takes place; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (b) Phase 2: evaluate the dependencies and impacts; | (b) Phase 2: evaluate the dependencies and impacts; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (c) Phase 3: assess the material risks and opportunities; | (c) Phase 3: assess the material risks and opportunities; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (d) Phase 4: prepare and report the results of the materiality assessment. | (d) Phase 4: prepare and report the results of the materiality assessment. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |

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| AR 2. With regard to ESRS E5, phases 1 and 2 rely mainly on the materiality assessments conducted under ESRS E1 (including energy consumption), ESRS E2 (pollution), ESRS E3 (marine resources, water consumption) and ESRS E4 (biodiversity, ecosystems, raw materials). Indeed, circular economy eventually aims at reducing the environmental impact of the use of products, materials and other resources, minimizing waste and the release of hazardous substances and hence at reducing impacts on nature. This application requirement focuses mainly on the third phase of this LEAP approach, while the fourth phase addresses the outcome of the process. | AR 2. With regard to ESRS E5, phases 1 and 2 rely mainly on the materiality assessments conducted under ESRS E1 (including energy consumption), ESRS E2 (pollution), ESRS E3 (marine resources, water consumption) and ESRS E4 (biodiversity, ecosystems, raw materials). Indeed, circular economy eventually aims at reducing the environmental impact of the use of products, materials and other resources, minimizing waste and the release of hazardous substances and hence at reducing impacts on nature. This application requirement focuses mainly on the third phase of this LEAP approach, while the fourth phase addresses the outcome of the process. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| AR 3. The process to assess the materiality of impacts, dependencies, risks and opportunities shall consider the provisions in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities and IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement. | AR 3. The process to assess the materiality of impacts, dependencies, risks and opportunities shall consider the provisions in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities and IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| AR 4. The sub-topics related to resource use and circular economy covered by the materiality assessment include: | AR 4. The sub-topics related to resource use and circular economy covered by the materiality assessment include: | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (a) resource inflows including the circularity of material resource inflows, considering resource use optimisation, intensity of materials and products and renewable and non-renewable resources; | (a) resource inflows including the circularity of material resource inflows, considering resource use optimisation, intensity of materials and products and renewable and non-renewable resources | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (b) resource outflows related to products and services; and | (b) resource outflows related to products and services; and | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (c) waste, including hazardous waste and non-hazardous waste management. | (c) waste, including hazardous waste and non-hazardous waste management | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may: | AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may: | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |

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| (a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain , including the risk of staying in a business-as-usual scenario : iv. reputation, e.g. changing societal, customer or community perceptions. | (a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain , including the risk of staying in a business-as-usual scenario : iv. reputation, e.g. changing societal, customer or community perceptions. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (b) identify physical risks including depletion of stock and use of virgin and non-virgin renewable resources, and of non-renewable resources; | (b) identify physical risks including depletion of stock and use of virgin and non-virgin renewable resources, and of non-renewable resources; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (c) identify opportunities by: i. digitization utilisation ii. markets: e.g., demand for less resource-intensive products and services, and new consumption models such as product-as-a-service, pay-per-use, sharing, leasing; iii. financing: e.g., access to green funds, bonds or loans; iv. resilience: e.g., diversification of resources and business activities (e.g., start a new business unit to recycle new materials), investing in green infrastructures, adopting recycling and circularity mechanisms that reduce the dependencies , capability of the undertaking to safeguard future stocks and flows of resources; and v. reputation. | (c) identify opportunities by: i. digitization utilisation ii. markets: e.g., demand for less resource-intensive products and services, and new consumption models such as product-as-a-service, pay-per-use, sharing, leasing; iii. financing: e.g., access to green funds, bonds or loans; iv. resilience: e.g., diversification of resources and business activities (e.g., start a new business unit to recycle new materials), investing in green infrastructures, adopting recycling and circularity mechanisms that reduce the dependencies , capability of the undertaking to safeguard future stocks and flows of resources; and v. reputation. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| AR 6. The undertaking may consider the following methodologies to assess its impacts, risks and opportunities in its own operations and along its upstream and downstream value chain : | AR 6. The undertaking may consider the following methodologies to assess its impacts, risks and opportunities in its own operations and along its upstream and downstream value chain : | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |

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| (a) Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organizations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint); and | (a) Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organizations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint); and | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (b) Material Flow Analysis (MFA) from the European Environment Agency. | (b) Material Flow Analysis (MFA) from the European Environment Agency. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| AR 7. When providing information on the outcome of the materiality assessment, the undertaking shall consider: | AR 7. When providing information on the outcome of the materiality assessment, the undertaking shall consider: | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (a) a list of business units associated to resource use and circular economy material impacts, risks and opportunities in the context of the products and services of the undertaking and the waste it generates; | (a) a list of business units associated to resource use and circular economy material impacts, risks and opportunities in the context of the products and services of the undertaking and the waste it generates; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (b) a list and prioritisation of the material resources used by the undertaking; | (b) a list and prioritisation of the material resources used by the undertaking; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (c) the material impacts and risks of staying in business as usual; | (c) the material impacts and risks of staying in business as usual; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (d) the material opportunities related to a circular economy; | (d) the material opportunities related to a circular economy; | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (e) the material impacts and risks of a transition to a circular economy; and | (e) the material impacts and risks of a transition to a circular economy; and | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| (f) the stages of the value chain where resource use, risks and negative impacts are concentrated. | (f) the stages of the value chain where resource use, risks and negative impacts are concentrated. | Deleted The main DR of IRO-1 is no longer part of ESRS E5. |
| Disclosure Requirement E5-1 – Policies related to resource use and circular economy | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |

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| AR 8. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics. | AR 8. The policies described under this Disclosure Requirement may be integrated in broader environmental or sustainability policies covering different subtopics. | Deleted Since this paragraph contained a cross-cutting indication, it was removed from this topical standard. |
| AR 9. When providing information on its policies, the undertaking shall consider whether and how its policies address: (a) the waste hierarchy : (a) prevention; (b) preparing for re-use; (c) recycling ; (d) other recovery , e.g., energy recovery; and (e) disposal. In this context, the waste treatment cannot be considered as a recovery; (b) the prioritisation of the avoidance or minimisation waste (Re-use, Repair, Refurbish, Remanufacture and Repurpose) over waste treatment (Recycling). The concepts of eco-design (93) , waste as a resource or post- consumer waste (at the end of a consumer -product lifecycle), should also be taken into consideration. | AR 9. When providing information on its policies, the undertaking shall consider whether and how its policies address: (a) the waste hierarchy : (a) prevention; (b) preparing for re-use; (c) recycling ; (d) other recovery , e.g., energy recovery; and (e) disposal. In this context, the waste treatment cannot be considered as a recovery; (b) the prioritisation of the avoidance or minimisation waste (Re-use, Repair, Refurbish, Remanufacture and Repurpose) over waste treatment (Recycling). The concepts of eco-design (93) , waste as a resource or post- consumer waste (at the end of a consumer -product lifecycle), should also be taken into consideration. | Moved Deleted from mandatory content and moved to NMIG 1. Qualifies topical content (description of policies), not adding new datapoint information. |
| AR 10. When defining its policies, the undertaking may consider the Paper on “Categorisation system for the circular economy”, which describes circular design and production models, circular use models, circular value recovery models and circular support along the principles of the nine circular economy “R” strategies or principles: refuse, rethink, reduce, re-use, repair, refurbish, remanufacture, repurpose and recycle. | AR 10. When defining its policies, the undertaking may consider the Paper on “Categorisation system for the circular economy”, which describes circular design and production models, circular use models, circular value recovery models and circular support along the principles of the nine circular economy “R” strategies or principles: refuse, rethink, reduce, re-use, repair, refurbish, remanufacture, repurpose and recycle. | Moved Deleted from mandatory content and moved to NMIG 6 and NMIG 7. |
| Disclosure Requirement E5-2 – Actions and resources in relation to resource use and circular economy | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |

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| AR 11. When providing information under paragraph 17 and considering that resources are shared and that circular economy strategies may require collective actions, the undertaking may specify the actions taken to engage with its upstream and downstream value chain and/or its local network on the development of collaborations or initiatives increasing the circularity of products and materials. | AR 4 When providing information under paragraph 15 and considering that resources are shared and that circular economy strategies may require collective actions, the undertaking may specify the actions taken to engage with its upstream and downstream value chain and/or its local network on the development of collaborations or initiatives increasing the circularity of products and materials. | Moved Deleted from mandatory content and moved to NMIG 3. |
| AR 12. In particular, the undertaking may specify the following: | AR 12. In particular, the undertaking may specify the following: | Moved Deleted from mandatory content and moved to NMIG 3. |
| (a) how it contributes to circular economy, including for instance smart waste collection systems; | (a) How it contributes <u>its contributions</u> to circular economy, including for instance smart waste collection systems; | Moved Deleted from mandatory content and moved to NMIG 3. |
| (b) the other stakeholders involved in the collective actions : competitors, suppliers , retailers, customers, other business partners, local communities and authorities, government agencies; | (b) the other stakeholders involved in the collective actions : competitors, suppliers , retailers, customers, other business partners, local communities and authorities, government agencies; | Moved Deleted from mandatory content and moved to NMIG 3. |
| (c) a description of the organisation of the collaboration or initiative, including the specific contribution of the undertaking and the roles of the different stakeholders in the project. | (c) a description of the organization of the collaboration or initiative, including the specific contribution of the undertaking and the roles of the different stakeholders in the project. | Moved Deleted from mandatory content and moved to NMIG 3. |
| AR 13. The actions may cover the undertaking's own operations and/or its upstream and downstream value chain. | AR 13. The actions may cover the undertaking's own operations and/or its upstream and downstream value chain | Deleted Part of high-level indications on value chain actions in ESRS 2 new GDR-A paragraph AR 30. |
| Disclosure Requirement E5-3 – Targets related to resource use and circular economy | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |

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| AR 14. If the undertaking refers to ecological thresholds to set targets , it may refer to the guidance provided by the Science-Based Targets Initiative for Nature (SBTN) in its interim guidance (Initial Guidance for Business, September 2020) or any other guidance with a scientifically acknowledged methodology that allows to set science-based targets by identifying ecological thresholds and, if applicable, organisation-specific allocations. Ecological thresholds can be local, national and/or global. | –AR 14. If the undertaking refers to ecological thresholds to set targets , it may refer to the guidance provided by the Science-Based Targets Initiative for Nature (SBTN) in its interim guidance (Initial Guidance for Business, September 2020) or any other guidance with a scientifically acknowledged methodology that allows to set science-based targets by identifying ecological thresholds and, if applicable, organisation-specific allocations. Ecological thresholds can be local, national and/or global. | Deleted Deleted as the disclosure on ecological thresholds has been moved to ESRS E4. |
| AR 15. When providing information on targets, the undertaking shall prioritise targets in absolute value. | –AR 15. When providing information on targets, the undertaking shall prioritise targets in absolute value. | Deleted Removed to avoid imposing methodological prioritization. |
| AR 16. When providing information targets according to paragraph 24, the undertaking shall consider the production phase, the use phase, and the end of functional life of products and materials. | –AR 16. When providing information targets according to paragraph 24, the undertaking shall consider the production phase, the use phase, and the end of functional life of products and materials. | Deleted |
| AR 17. When providing information on targets related to virgin renewable raw material under paragraph 24(c), the undertaking shall consider how those targets may impact biodiversity loss , also in light of ESRS E4. | –AR 17. When providing information on targets related to virgin renewable raw material under paragraph 24(c), the undertaking shall consider how those targets may impact biodiversity loss , also in light of ESRS E4. | Deleted |
| AR 18. The undertaking may disclose other targets under paragraph 24(f) including in relation to sustainable sourcing. If so, the undertaking shall explain the definition of sustainable sourcing it has adopted and how it relates to the objective set out in paragraph 22. | AR 18 The undertaking may disclose other targets under paragraph 24(f) including in relation to sustainable sourcing. If so, the undertaking shall explain the definition of sustainable sourcing it has adopted and how it relates to the objective set out in paragraph 22. | Deleted The referred DR is no longer part of ESRS E5. |
| AR 19. The targets may cover the undertaking's own operations and/or its upstream and downstream value chain. | AR 19. The targets may cover the undertaking's own operations and/or its upstream and downstream value chain. | Deleted Part of high-level indications on value chain actions in ESRS 2 new GDR-A paragraph AR 30. |

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| AR 20. The undertaking may specify whether the target addresses shortcomings related to the Substantial Contribution criteria for Circular Economy as defined in the delegated acts adopted pursuant to Article 13(2) of Regulation (EU) 2020/852. Where the Do No Significant Harm (DNSH) criteria for Circular Economy as defined in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852 are not met, the undertaking may specify whether the target addresses shortcomings related those DNSH criteria. | AR 10. The undertaking may specify whether the target addresses shortcomings related to the Substantial Contribution criteria for Circular Economy as defined in the delegated acts adopted pursuant to Article 13(2) of Regulation (EU) 2020/852. Where the Do No Significant Harm (DNSH) criteria for Circular Economy as defined in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852 are not met, the undertaking may specify whether the target addresses shortcomings related those DNSH criteria. | Deleted Removed for simplification. |
| Disclosure Requirement E5-4 – Resource Inflows | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |
| AR 21. Resource inflows may cover the following categories: IT equipment, textiles, furniture, buildings, heavy machinery, mid-weight machinery, light machinery, heavy transport, mid-weight transport, light transport and warehousing equipment. With regard to materials, resource inflow indicators include raw materials, associated process materials, and semi-manufactured goods or parts. | AR 21. Resource inflows may cover the following categories: IT equipment, textiles, furniture, buildings, heavy machinery, mid-weight machinery, light machinery, heavy transport, mid-weight transport, light transport and warehousing equipment. With regard to materials, resource inflow indicators include raw materials, associated process materials, and semi-manufactured goods or parts. | Deleted Removed because redundant. Now it is partially covered by NMIG 4. |
| AR 22. When the undertaking is subject to paragraph 31, it may also provide transparency on the materials that are sourced from by-products / waste stream (e.g., offcuts of a material that has not previously been in a product). | AR 22. When the undertaking is subject to paragraph 31, it may also provide transparency on the materials that are sourced from by-products / waste stream (e.g., offcuts of a material that has not previously been in a product). | Moved Deleted from mandatory content and moved to NMIG 4. Qualifies topical content (description of resources), not adding new datapoint information. |
| AR 23. The denominator of the percentage indicator required under paragraphs 31(b) and 31(c) is the overall total weight of materials used during the reporting period. | AR 23. AR 1. The denominator of the percentage indicator required under paragraphs 31(b) and 31(c) 14(c) and 14(d) 15(d) is the overall total weight of the key materials used during the reporting period. The denominator of the percentage indicator required in paragraph 1415(e) is the total weight of key biological materials. | Amended Streamlined and modified as per new paragraph 15. |
| | <u>AR 2. When identifying the key materials in paragraph 15(a), if the characteristic of being a technical or a biological material is a driver of impacts, risks or opportunities, the undertaking shall designate the material</u> | Amended Moved here as per former paragraph 31(a). |

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| | in such a way as to identify this characteristic, e.g. an undertaking can refer to 'synthetic fibres' and 'natural fibres' instead of just 'fibres'. | |
| AR 24. The reported usage data are to reflect the material in its original state, and not to be presented with further data manipulation, such as reporting it as "dry weight". | AR 24. The reported usage data are to reflect the material in its original state, and not to be presented with further data manipulation, such as reporting it as "dry weight". | Deleted Removed to avoid imposing methodological prioritization. |
| AR 25. In cases where there is an overlap between categories of reused, recycled, the undertaking shall specify how double counting was avoided and the choices that were made. | AR 25. In cases where there is an overlap between categories of reused, recycled, the undertaking shall specify how double counting was avoided and the choices that were made. | Deleted Removed to avoid imposing methodological prioritization. |
| Disclosure Requirement E5-5 – Resource outflows | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |
| AR 26. Products and materials information to be provided under paragraph 35 refers to all materials and products that come out of the undertaking's production process and that a company puts on the market (including packaging). | AR 26. Products and materials information to be provided under paragraph 35 refers to all materials and products that come out of the undertaking's production process and that a company puts on the market (including packaging). AR 3. When disclosing paragraph (c), packaging is to be disclosed separately. | Amended Streamlined as per new paragraph 17. |
| | AR 4. Waste weight is expressed in tons or kilograms. | New Added to guide the disclosure. |
| AR 27. When compiling the rate, the undertaking shall use as denominator the overall total weight of materials used during the reporting period. | AR 27. When compiling the rate, the undertaking shall use as denominator the overall total weight of products materials used during the reporting period. | Deleted The referred DR is no longer part of ESRS E5. |
| AR 28. The undertaking may disclose its engagement in product end-of-life waste management , for example through extended producer responsibility schemes or take-back schemes. | AR 28. The undertaking may disclose its engagement in product end-of-life waste management, for example through extended producer responsibility schemes or take-back schemes. | Moved Deleted from mandatory content and moved to NMIG 2 and 3. Engagement in product end-of-life waste management can be disclosed as part of the undertaking actions. |
| AR 29. Type of waste is to be understood as hazardous waste or non-hazardous waste. Some specific waste, such as radioactive waste, may also be presented as a separate type. | AR 29. Type of waste is to be understood as hazardous waste or non-hazardous waste. Some specific waste, such as radioactive waste, may also be presented as a separate type. | Deleted Former AR 29 did not add any value. |

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| AR 30. When considering the waste streams relevant to its sectors or activities, the undertaking may consider the list of waste descriptions from the European Waste Catalogue. | AR 30. 5. When <u>describing its</u> considering the waste streams, <u>relevant to its sectors or activities</u>, the undertaking may consider the list of waste descriptions from the European Waste Catalogue. <u>it is sufficient to provide a name and an indication of the key materials that are included in the waste stream</u>. An illustrative example – for a wood furniture producer, a waste stream could be ‘wood waste’ composed of offcuts, sawdust and defective wooden components of the key material ‘wood’. | Amended Streamlined and added examples on key materials to be included in the waste stream. Reference to the European Waste Catalogue moved to NMIG 9. |
| AR 31. Examples of other types of recovery operations under paragraph 37(b)iii may be found in Annex II of Directive 2008/98/EC (Waste Framework Directive). | AR 31. Examples of other types of recovery operations under paragraph 37(b)iii may be found in Annex II of Directive 2008/98/EC (Waste Framework Directive). | Moved Deleted from mandatory content and moved to NMIG 11. |
| AR 32. Examples of other types of disposal operations under paragraph 37(c)iii may be found in Annex I of Directive 2008/98/EC (Waste Framework Directive). | AR 32. Examples of other types of disposal operations under paragraph 37(c)iii may be found in Annex I of Directive 2008/98/EC (Waste Framework Directive). | Moved Deleted from mandatory content and moved to NMIG 13. |
| AR 33. When providing contextual information under paragraph 40 the undertaking may: | AR 33. When providing contextual information under paragraph 40 the undertaking may: | Deleted Removed for simplification. |
| (a) explain the reasons for high weights of waste directed to disposal (e.g., local regulations that prohibit landfill of specific types of waste); | (a) explain the reasons for high weights of waste directed to disposal (e.g., local regulations that prohibit landfill of specific types of waste); | Deleted Removed for simplification. |
| (b) describe sector practices, sector standards, or external regulations that mandate a specific disposal operation; and | (b) describe sector practices, sector standards, or external regulations that mandate a specific disposal operation; and | Deleted Removed for simplification. |
| (c) specify whether the data has been modelled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors. | (c) specify whether the data has been modelled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors. | Deleted Removed for simplification. |
| Disclosure Requirement E5 6 — Anticipated financial effects from material resource use and circular economy related risks and opportunities | | Comment/Rationale |
| ESRS Set 1 as per Delegated Act 2023 | [Draft] Amended ESRS E5 Resource use and circular economy | |
| AR 34. When providing information under paragraph 42(b), the undertaking may illustrate and describe how it intends to strengthen value retention. | AR 34. When providing information under paragraph 42(b), the undertaking may illustrate and describe how it intends to strengthen value retention. | |
| | | Deleted The referred DR is no longer part of ESRS E5. |

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| AR 35. The undertaking may include an assessment of its related products and services at risk over the short-, medium- and long-term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made. | AR 35. The undertaking may include an assessment of its related products and services at risk over the short-, medium- and long-term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made. | Deleted The referred DR is no longer part of ESRS E5. |
| AR 36. The quantification of the anticipated financial effects in monetary terms under paragraph 43(a) may be a range. | AR 36. The quantification of the anticipated financial effects in monetary terms under paragraph 43(a) may be a range. | Deleted The referred DR is no longer part of ESRS E5. |