



 COMPARATIVE TABLE OF TEXTS

ESRS E1

CLIMATE CHANGE

 DECEMBER 2025

 EFRAG

Comparative Table: ESRS as enacted in 2023, Exposure Draft ESRS, and Draft Amended ESRS – ESRS E1 *Climate Change*

Disclaimer: The ‘Comparative Table: ESRS as enacted in 2023, Exposure Draft ESRS, and Draft Amended ESRS’ accompanies but is not part of the draft amended ESRS issued by EFRAG on 3 December 2025. It is a non-binding document which complements and should be read in conjunction with the Basis for Conclusions and Log of Amendments, where descriptions and illustrations of the main changes to the Standards can be found. This document does not reflect the position of the European Union or the European Commission DG Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

Introduction

1. This document illustrates the text of each of the following three versions of ESRS E1: ESRS E1 as enacted in 2023 (Column 1), Exposure Draft ESRS E1 (Column 2) and Draft Amended ESRS E1 (Column 3).
2. This document is purely illustrative and does not offer explanations for changes to ESRS E1. The Basis for Conclusions and the relevant Log of Amendments should be consulted for an explanation of draft amended ESRS E1.
3. By reading each row, the reader can understand how each paragraph of ESRS E1 has changed across the three versions of ESRS listed above. The starting point is Column 1, the text of the ESRS E1 as enacted in 2023.

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
<i>Objective</i>	<i>Objective</i>	<i>Objective</i>
	1. When reporting in accordance with the ESRS, the sustainability statement shall cover information in relation to [Draft] Amended ESRS E1 <i>Climate change</i> , when this topic relates 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 financial effects .	1. The sustainability statement shall include information in relation to ESRS E1 Climate Change if this topic relates to material impacts, risks and opportunities to cover all the reporting areas listed in paragraph 5 of ESRS 1 General Requirements. If not all the sub-topics prescribed by this Standard are to be reported following the materiality assessment, paragraph 30 of ESRS 1 <i>General Requirements</i> applies.
1. The objective of this Standard is to specify Disclosure Requirements which will enable users of sustainability statements to understand:	2. The objective of this Standard is to specify Disclosure Requirements ('DRs') in relation to the items of information mentioned in <i>paragraph 1</i> , that are not covered in [Draft] Amended ESRS 2.	2. The objective of this Standard is to set out Disclosure Requirements (DRs) <i>providing</i> information in relation to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 <i>General Requirements</i> and ESRS 2 <i>General Disclosures</i> .
(a) how the undertaking affects climate change, in terms of material positive and negative actual and potential impacts;		
(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;		
(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;		
(d) any other actions taken by the undertaking, and the result of such actions to prevent, mitigate or		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
remediate actual or potential negative impacts, and to address risks and opportunities ;		
(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		
(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.		
		3. In this Standard, each DR is introduced by a disclosure objective except for policies, actions and targets , for which the provisions in ESRS 2 GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant DRs.
<p>2. The Disclosure Requirements of this Standard consider the requirements of related EU legislation and regulation (i.e., EU Climate Law [1], Climate Benchmark Standards Regulation [2], Sustainable Finance Disclosure Regulation (SFDR)[3], EU Taxonomy [33], and EBA Pillar 3 disclosure requirements [34].</p> <p>[1] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).</p> <p>[2] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition benchmarks and EU Paris aligned benchmarks (OJ L 406, 3.12.2020, p. 17).</p>	<p>11. The DRs of this Standard consider the requirements of related EU legislation and regulation. These include EU Climate Law, Climate Benchmark Standards Regulation, Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy, and EBA Pillar 3 DRs.</p>	<p>4. This Standard takes into account the EU regulatory frameworks and other relevant frameworks, including the EU Climate Law (Regulation (EU) 2021/1119), the Climate Benchmark Standards Regulation (Regulation (EU) 2020/1818), the Sustainable Finance Disclosure Regulation (SFDR) (Regulation (EU) 2019/2088), the EU Taxonomy Regulation (Regulation (EU) 2020/852) and so-called 'Pillar 3' disclosures under the Capital Requirements Regulation (Regulation (EU) 2022/2453).</p>

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<p>[3] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).</p> <p>[33] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).</p> <p>[34] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1.).</p>		
	3. When only one of the sub-topics covered by this Standard is material, the undertaking shall report only on that sub-topic.	
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.	4. This Standard sets out DRs related to climate change and in particular, with respect to the following sub-topics: climate change mitigation, climate change adaptation and energy.	5. This Standard sets out DRs related to climate change, particularly with respect to the following sub-topics: climate change mitigation, climate change adaptation and energy.
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 Greenhouse gases (GHG) carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃). It also covers Disclosure Requirements on how the undertaking addresses its GHG emissions as well as the associated transition risks .	5. 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 and the objectives of the European Climate Law (Regulation (EU) 2021/1119). This Standard covers DRs related but not limited to the seven Greenhouse gases (GHGs) carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃). It also covers DRs on how the undertaking addresses its GHG emissions as well as the associated transition risks .	6. Climate change mitigation relates to the undertaking’s efforts to limit 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). This Standard covers DRs related to how the undertaking addresses its GHG emissions as well as the associated transition risks .

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5. Climate change adaptation relates to the undertaking's process of adjustment to actual and expected climate change.	6. Climate change adaptation relates to the undertaking's process of adjustment to actual and expected climate change.	7. Climate change adaptation relates to the undertaking's process of adjustment to actual and expected consequences of climate change. This Standard covers DRs related to climate-related hazards that may lead to physical climate risks for the undertaking and its adaptation solutions for reducing these risks. It also covers transition risks stemming from the need to adapt to climate-related hazards.
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.	7. This Standard covers DRs 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.	
7. The Disclosure Requirements related to "Energy" cover all types of energy production and consumption.	8. The DRs related to 'energy' cover all types of energy production and consumption.	8. The DRs related to energy cover all types of energy production and consumption.
	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:	
	(a) If the undertaking has not adopted policies, actions and targets with reference to a topic related to material impacts, risks and opportunities , it shall disclose this fact;	
	(b) the undertaking may present the description of its material impacts, risks and opportunities, in accordance with [Draft] Amended 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.	
	10. In this Standard, each DRs 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 provides	

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
	the necessary framing for the relevant DRs.	
Interactions with other ESRS	Interaction with other ESRS	Interaction with other ESRS
	12. Social and environmental topics closely interact with each other. The main points of interaction between [Draft] Amended ESRS E1 and the different ESRS topical standards:	9. Social and environmental topics closely interact with each other. The main points of interaction between ESRS E1 Climate Change and the other topical standards are the following:
8. Ozone-depleting substances (ODS), nitrogen oxides (NO _x) and sulphur oxides (SO _x), among other air emissions, are connected to climate change but are covered under the reporting requirements in ESRS E2.	(a) This Standard covers, but is not limited to, the seven GHGs: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃). ESRS E2 addresses Ozone-depleting substances (ODS), nitrogen oxides (NO _x) and sulphur oxides (SO _x), among other air emissions, that are connected to climate change but are covered under the reporting requirements in [Draft] Amended ESRS E2.	(a) ESRS E1 <i>Climate Change</i> covers, but is not limited to, the seven GHGs: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ and NF ₃ . ESRS E2 <i>Pollution</i> addresses ozone-depleting substances (ODS), nitrogen oxides (NO _x) and sulphur oxides (SO _x), among other air emissions, that are connected to climate change;
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.	(c) Impacts on people that may arise from the transition to a climate-neutral economy are covered under [Draft] Amended ESRS S1 <i>Own workforce</i> , [Draft] Amended ESRS S2 <i>Workers in the value chain</i> , ESRS S3 <i>Affected communities</i> and ESRS S4 <i>Consumers and end-users</i> .	(c) Impacts on people that may arise from the transition to a climate-neutral economy are covered under ESRS S1 <i>Own Workforce</i> , ESRS S2 <i>Workers in the Value Chain</i> , ESRS S3 <i>Affected Communities</i> and ESRS S4 <i>Consumers and End-users</i> .
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	(b) Climate change mitigation and adaptation are closely related to topics addressed in particular in ESRS E3 <i>Water</i> and ESRS E4 <i>Biodiversity and ecosystems</i> . This Standard addresses, among others, acute and chronic physical risks which arise from the water and ocean-related hazards. This Standard also addresses GHG emissions from the use of resource, land-use and land-use change as well as removals of GHG from the atmosphere, for example, through nature-based solutions which may entail co-benefits for the water,	(b) climate change mitigation and climate change adaptation are related to topics addressed in particular in ESRS E3 <i>Water</i> and ESRS E4 <i>Biodiversity and Ecosystems</i> . ESRS E1 <i>Climate Change</i> addresses, among other things, acute and chronic physical risks arising from the water and ocean-related hazards. ESRS E1 Climate Change also addresses

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be caused by climate change are addressed in ESRS E4 Biodiversity and ecosystems.	biodiversity and ecosystems. Biodiversity loss and ecosystem degradation caused or accelerated by climate change are addressed in ESRS E4 <i>Biodiversity and ecosystems</i> .	GHG emissions from the use of natural resources, land-use and land-use change as well as removals of GHG from the atmosphere, for example through nature-based solutions . Biodiversity loss and ecosystem degradation caused or accelerated by climate change are addressed in ESRS E4 Biodiversity and Ecosystems;
11. This Standard should be read and applied in conjunction with ESRS 1 General requirements and ESRS 2 General disclosures.		
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.		
Governance		
GOV-3 - Integration of sustainability-related performance in incentive schemes	GOV-3 - Integration of sustainability-related performance in incentive schemes	GOV-3 - Integration of sustainability-related performance in incentive schemes
13. The undertaking shall disclose whether and how climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies , including if their performance has been assessed against the GHG emission reduction targets 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.		

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Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Disclosure Requirement E1-1 – Transition plan for climate change mitigation
<p>14. The undertaking shall disclose its transition plan for climate change mitigation [28].</p> <p>[28] This information is aligned with the Regulation (EU) 2021/1119 of the European Parliament and of the Council (EU Climate Law), Article 2 (1); and with Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Article 2.</p>		
<p>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.</p>	<p>13. The objective of this DR 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 the objectives of the European Climate Law (Regulation (EU) 2021/1119), including achieving climate neutrality by 2050.</p>	<p>10. The objective of this DR 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 limiting global warming to 1.5°C in line with the Paris Agreement and the objectives of the European Climate Law (Regulation (EU) 2021/1119), including achieving climate neutrality by 2050.</p>
<p>16. The information required by paragraph 14 shall include:</p>	<p>14. The information about the transition plan for climate change mitigation shall include:</p>	<p>11. The information about the transition plan for climate change mitigation shall include:</p>
<p>(a) by reference to GHG emission reduction targets (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>(a) a description of its key features. This includes, GHG emission reduction targets, the decarbonisation levers, key actions, financial and investment planning, the role of the administrative, management and supervisory bodies, 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 business model 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>(a) a description of its key features. This includes GHG emission reduction targets, the decarbonisation levers, key actions, investments and funding needed to support the implementation of the plan, the approval of the plan by the administrative, management and supervisory bodies, 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 business model are or will be compatible,</p>

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		pursuant to the implementation of the plan, with the limiting of global warming to 1.5°C in line with the Paris Agreement and with the EU's objective of achieving climate neutrality by 2050;
(b) by reference to GHG emission reduction targets (as required by Disclosure Requirement E1-4) and the climate change mitigation actions (as required by Disclosure Requirement E1-3), an explanation of the decarbonisation levers 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;		
(c) by reference to the climate change mitigation actions (as required by Disclosure Requirement E1-3), an explanation and quantification of the undertaking's investments and funding supporting the implementation of its transition plan , 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;		
(d) a qualitative assessment of the potential locked-in GHG emissions from the undertaking's key assets and products. This shall include an explanation of if and how these emissions may jeopardise the achievement of the undertaking's GHG emission reduction targets and drive transition risk , and if applicable, an explanation of the undertaking's plans to manage its GHG-	(c) information about dependencies on which the transition plan relies, including a qualitative assessment of how potential locked-in GHG emissions from key assets and products may jeopardise the achievement of the plan and drive transition risk ; and	(d) a qualitative assessment and explanation of how potential locked-in GHG emissions from key physical assets and products may jeopardise the achievement of the plan and drive transition risk ; and

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
intensive and energy-intensive assets and products;		
<p>(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 [29];</p> <p>[29] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).</p>		
<p>(f) if applicable, a disclosure of significant CapEx amounts invested during the reporting period related to coal, oil and gas-related economic activities [30];</p> <p>[30] The CapEx amounts considered are related to the following NACE codes:</p> <p>(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),</p> <p>(b) C.19 Manufacture of coke and refined petroleum products,</p>	<p>(b) disclosure of significant CapEx amounts invested during the reporting period related to coal, oil and gas economic activities[1]; if the undertaking has them</p> <p>[1] 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</p>	<p>(b) CapEx amounts invested during the reporting period related to coal, oil and gas economic activities [1] if the undertaking has them;</p> <p>[1] 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 -</p>

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<p>(c) D.35.1 - Electric power generation, transmission and distribution,</p> <p>(d) D.35.3 - Steam and air conditioning supply (limited to coal-fired and oil-fired power and/or heat generation),</p> <p>(e) G.46.71 - Wholesale of solid, liquid and gaseous fuels and related products (limited to solid and liquid fuels). For gas-related activities, the NACE code definition addresses activities with direct GHG emissions that are higher than 270 gCO₂/KWh.</p>	<p>heat generation), (e) D.46.81 - Wholesale of solid, liquid and gaseous fuels and related products (limited to solid and liquid fuels).</p>	<p>Electric power generation, transmission and distribution, (d) D.35.3 - Steam and air conditioning supply (limited to coal-fired and oil-fired power or heat generation), (e) D.46.81 - Wholesale of solid, liquid and gaseous fuels and related products (limited to solid and liquid fuels).</p>
		(c) information about key assumptions used and dependencies on which the plan relies;
<p>(g) a disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks [38];</p> <p>[38] This disclosure requirement is included consistent with the requirements in Commission Implementing Regulation (EU) 2022/2453 template I climate change transition risk; and is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate benchmark Regulation), Articles 12.1 (d) to (g) and 12.2.</p>		
(h) an explanation of how the transition plan is embedded in and aligned with the undertaking's overall business strategy and financial planning;		
(i) whether the transition plan is approved by the administrative, management and supervisory bodies ; and		
(j) an explanation of the undertaking's progress in implementing the transition plan.	(d) an explanation of the undertaking's progress in implementing the transition plan .	(e) an explanation of the undertaking's progress in implementing the transition plan.
17. In case the undertaking does not have a transition plan in place, it shall indicate whether and, if so, when it will adopt a transition plan.	15. If the undertaking does not have a transition plan for climate change mitigation in place, it shall indicate whether and, if so, when it will adopt one.	12. If the undertaking does not have in place a transition plan for climate change mitigation which includes the key features listed in paragraph 11(a), it shall disclose this fact and indicate whether and, if so, when it expects to adopt one.

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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	Disclosure Requirement E1-2 – Identification of climate-related risks and scenario analysis
	16. The objective of this DR is to enable users an understanding of how the undertaking identifies and assesses climate-related impacts, risks and opportunities for materiality .	13. The objective of this DR is to enable an understanding of how the undertaking identifies and assesses climate-related risks and opportunities for financial materiality .
		14. The undertaking shall explain for each material climate-related risk identified (per ESRS 2 IRO-2, paragraph 37) whether it classifies the risk as a climate-related physical risk or a climate-related transition risk .
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:		15. In addition to the disclosure provided in accordance with ESRS 2 IRO-1, the undertaking shall disclose key elements of the methodology used to assess how its assets and business activities in own operations and its upstream and downstream value chain may be exposed and be sensitive over the short, medium and long term to: (a) climate-related hazards; and climate-related transition events and trends.
(a) impacts on climate change, in particular, the undertaking's GHG emissions (as required by Disclosure Requirement ESRS E1-6);		
(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		

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<p>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>		
<p>(c) climate-related transition risks and opportunities in own operations and along the upstream and downstream value chain, in particular:</p> <p>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</p> <p>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.</p>		
<p>21. When disclosing the information required under paragraphs 20 (b) and 20 (c) the undertaking shall explain how it has used climate related scenario analysis, including a range of climate scenarios, to inform the identification and assessment of physical risks and transition risks and opportunities over the short-, medium- and long-term.</p>	<p>18. In addition to the disclosure provided in accordance with ESRS 2 IRO-1 and IRO-2, the undertaking shall 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:</p> <p>(a) to climate-related hazards (over the short-, medium- and long-term);</p> <p>(b) to climate-related transition events and trends (over the short-, medium- and long-term).</p>	<p>16. If climate-related scenario analysis is used, the undertaking shall disclose: (a) the ranges of scenarios applied, including (i) whether for physical climate risks at least one high-emission scenario was used, and (ii) whether for climate transition risks at least one scenario in line with limiting global warming to 1.5°C with no or limited overshooting was used, and (iii) the associated global average temperature projection of the scenarios and why they are considered relevant; (b) the scope of operations used (e.g. operating locations, business units); (c) the key assumptions made (e.g. policies, macroeconomic trends, national or regional variables, energy use and mix, technology developments); (d) the time period when it was carried out.</p>

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
Strategy		
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement E1-3 - Resilience in relation to climate change	Disclosure Requirement E1-3 - Resilience in relation to climate change
	20. The objective of this DR is to provide users an understanding of the extent to which the undertaking's strategy and business model are prepared for, and can adapt to, climate-related risks .	17. The objective of this DR is to enable an understanding of the extent to which the undertaking's strategy and business model are prepared for, and can adapt to, material climate-related risks .
18. The undertaking shall explain for each material climate-related risk it has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk .	17. The undertaking shall explain for each material climate-related risk identified (per ESRS 2, paragraph 28), whether it classifies the risk as a climate-related physical risk or a climate-related transition risk .	14. The undertaking shall explain for each material climate-related risk identified (per ESRS 2 IRO-2, paragraph 37) whether it classifies the risk as a climate-related physical risk or a climate related transition risk .
19. The undertaking shall describe the resilience of its strategy and business model in relation to climate change. This description shall include:	21. In addition to the information disclosed in accordance with [Draft] Amended ESRS 2 SBM-3, the undertaking shall disclose the following information related to the resilience of its strategy and business model in response to identified climate-related risks :	18. In addition to the disclosure in ESRS 2 SBM-3, the undertaking shall disclose the following information on the resilience of its strategy and business model to climate-related risks :
(a) the scope of the resilience analysis;	(a) the results of 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 would need to respond to the effects identified in the climate-related scenario analysis , and explaining how its current and planned mitigation and adaptation actions (as per DR E1-5) and transition plans (as per DR E1-1) support, strengthen or impact its resilience towards climate-related risks;	(a) the results of its analysis of climate resilience in relation to climate-related risks. The undertaking shall explain: (i) the implications of the assessment, if any, on its strategy and business model; (ii) how the effects identified through the climate-related scenario analysis , if used, inform the undertaking's potential response to climate-related risks; (iii) how its transition plan , if existent, and its current and planned mitigation and adaptation actions (ESRS E1-5) contribute to its resilience to climate-related risks;
(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 IRO1 and the related application requirement paragraphs; and	(b) significant areas of uncertainty in the assessment of its climate resilience ; and	(b) significant areas of uncertainty in the assessment of its climate resilience ; and

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(c) the results of the resilience analysis including the results from the use of scenario analysis.	(c) its capacity to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term.	(c) its capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term.
Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation	Disclosure Requirement E1-4 – Policies related to climate change	Disclosure Requirement E1-4 – Policies related to climate change
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> .		
23. The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has <i>policies</i> that address the identification, assessment, management and/or <i>remediation</i> of its material <i>climate change mitigation and adaptation impacts, risks and opportunities</i> .		
24. The disclosure required by paragraph 22 shall contain the information on the <i>policies</i> the undertaking has in place to manage its material <i>impacts, risks and opportunities</i> related to <i>climate change mitigation and adaptation</i> in accordance with ESRS 2 MDR-P <i>Policies adopted to manage material sustainability matters</i> .	22. The undertaking shall disclose its climate change <i>policies</i> in accordance with the provisions of [Draft] Amended ESRS 2 GDR-P.	19. The undertaking shall disclose its <i>climate change mitigation and climate change adaptation policies</i> in accordance with the provisions of ESRS 2 GDR-P.
25. The undertaking shall indicate whether and how its <i>policies</i> address the following areas: a. <i>climate change mitigation</i> ; b. <i>climate change adaptation</i> ; c. energy efficiency; d. <i>renewable energy</i> deployment; and other		

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Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies	Disclosure Requirement E1-5 – Actions and resources in relation to climate change policies	Disclosure Requirement E1-5 – Actions and resources in relation to climate change policies
26. The undertaking shall disclose its climate change mitigation and adaptation actions and the resources allocated for their implementation.		
27. The objective of this Disclosure Requirement is to provide an understanding of the key actions taken and planned to achieve climate-related policy objectives and targets .		
28. The description of the actions and resources related to climate change mitigation and adaptation shall follow the principles stated in ESRS 2 MDR-A <i>Actions and resources in relation to material sustainability matters</i> .	23. The undertaking shall disclose its key climate change actions and resources allocated to their implementation in accordance with the provisions of ESRS 2 GDR-A.	20. The undertaking shall disclose its key climate change mitigation and climate change adaptation actions and resources allocated to their implementation in accordance with the provisions of ESRS 2 GDR-A.
29. In addition to ESRS 2 MDR-A, the undertaking shall:	24. In addition to ESRS 2 GDR-A, when disclosing current and planned actions, the undertaking shall:	21. In addition to ESRS 2 GDR-A, when disclosing current and planned actions , the undertaking shall:
(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;	(a) present its key climate change mitigation actions by decarbonisation lever ;	(a) present its key climate change mitigation actions by decarbonisation lever ; and
(b) when describing the outcome of the actions for climate change mitigation, include the achieved and expected GHG emission reductions ; and	(b) in relation to the outcome of the key climate change mitigation actions, include the achieved and expected GHG emission reduction ; and	(b) disclose the achieved and expected GHG emission reduction by decarbonisation lever .
(c) relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: <ul style="list-style-type: none"> 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 	(c) in relation to the type of current and future financial resources and other resources allocated to the key actions as per 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.	.

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iii. if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.		
<i>Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation</i>	<i>Disclosure Requirement E1-6 – Targets related to climate change</i>	<i>Disclosure Requirement E1-6 – Targets related to climate change</i>
30. The undertaking shall disclose the climate-related targets it has set.		
31. The objective of this Disclosure Requirement is to enable an understanding of the <i>targets</i> the undertaking has set to support its <i>climate change mitigation</i> and <i>adaptation policies</i> and address its material climate-related <i>impacts, risks</i> and <i>opportunities</i> .		
32. The disclosure of the <i>targets</i> required in paragraph 30 shall contain the information required in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.	25. The undertaking shall disclose its <i>climate change targets</i> in accordance with the provisions of ESRS 2 GDR-T.	22. The undertaking shall disclose its <i>climate change targets</i> in accordance with the provisions of ESRS 2 GDR-T.
33. For the disclosure required by paragraph 30, the undertaking shall disclose whether and how it has set <i>GHG emissions reduction targets</i> and/or any other targets to manage material climate-related <i>impacts, risks</i> and <i>opportunities</i> , for example, <i>renewable energy</i> deployment, energy efficiency, <i>climate change adaptation</i> , and <i>physical</i> or <i>transition risk</i> mitigation.		
34. If the undertaking has set <i>GHG emission reduction targets</i> [4], ESRS 2 MDR-T and the following requirements shall apply: [4] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 (SFDR) because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #4 in Table II of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on	26. The undertaking shall disclose <i>GHG emissions reduction targets</i> it has set, including:	23. The undertaking shall disclose <i>GHG emissions reduction targets</i> it has set, including:

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sustainable investments (“Investments in companies without carbon emission reduction initiatives”); and is aligned with the Commission Delegated Regulation (EU) 2020/1818 (Climate benchmark Regulation), Article 6.		
(a) GHG emission reduction targets shall be disclosed in absolute value (either in tonnes of CO ₂ eq or as a percentage of the emissions of a base year) and, where relevant, in intensity value;	(a) absolute GHG emission reduction targets for Scope 1, 2 and 3, either separately or combined and, where relevant, in intensity value. 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 and the share related to each respective GHG emission Scope;	(a) absolute GHG emission reduction targets for scope 1, 2 and 3, either separately or combined and, where relevant, in intensity value. 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 and the share related to each respective GHG emission scope;
(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 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;	(b) 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;	(b) if the scope (geography, GHGs covered, entities included) of the GHG emission reduction target diverges from the scope of the GHG inventory (reported under ESRS E1-8), the percentages for scopes 1, 2 and 3 covered by the target, as well as which GHGs are covered; and
(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;		

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(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;		
(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 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	(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 the underlying climate and policy scenarios. As part of the critical assumptions used 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.	(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 the underlying climate and policy scenarios. As part of the critical assumptions used 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.
(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).		
Disclosure Requirement E1-5 – Energy consumption and mix	Disclosure Requirement E1-7 – Energy consumption and mix	Disclosure Requirement E1-7 – Energy consumption and mix
35. The undertaking shall provide information on its energy consumption and mix.		
36. The objective of this Disclosure Requirement is to provide an understanding of the undertaking’s total energy consumption in absolute value, improvement in	27. The objective of this DR provide an understanding of the undertaking’s energy consumption and mix.	24. The objective of this DR provide an understanding of the undertaking’s energy consumption and mix.

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energy efficiency, exposure to coal, oil and gas-related activities, and the share of renewable energy in its overall energy mix.		
<p>37. The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by:</p> <p>(a) total energy consumption from fossil sources [5];</p> <p>(b) total energy consumption from nuclear sources;</p> <p>(c) total energy consumption from renewable sources disaggregated by:</p> <ul style="list-style-type: none"> i. fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources [6], etc.; ii. consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources; and iii. consumption of self-generated non-fuel renewable energy. <p>[5] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by indicator #5 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Share of non-renewable energy consumption and production”). The breakdown serves as a reference for an additional indicator related to principal adverse impacts as set out by indicator #5 in Table II of the same Annex (“breakdown of energy consumption by type of non-renewable sources of energy”).</p> <p>[6] Compliant with the requirements in delegated acts for hydrogen from renewable sources: Commission Delegated</p>	<p>28. The undertaking shall disclose information on its energy consumption and mix, namely on its total energy consumption in MWh related to its own operations, disaggregated by:</p> <p>(a) total energy consumption from fossil sources [2]</p> <p>(b) total energy consumption from nuclear sources;</p> <p>(c) total energy consumption from renewable sources.</p> <p>[2] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by Indicator #5 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Share of non- renewable energy consumption and production”). The breakdown serves as a reference for an additional indicator related to principal adverse impacts as set out by Indicator #5 in Table II of the same Annex (“Breakdown of energy consumption by type of non-renewable sources of energy”).</p>	<p>25. The undertaking shall disclose its total energy consumption in megawatt hours (MWh) related to its own operations, disaggregated by:</p> <p>(a) total energy consumption from fossil sources [2];</p> <p>(b) total energy consumption from nuclear sources; and</p> <p>(c) total energy consumption from renewable sources.</p> <p>[2] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts, as set out by Indicator #5 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Share of non- renewable energy consumption and production”). The breakdown serves as a reference for an additional indicator related to principal adverse impacts as set out by Indicator #5 in Table II of the same Annex (“Breakdown of energy consumption by type of non-renewable sources of energy”).</p>

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Regulation of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of nonbiological origin; and Commission Delegated Regulation of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuel.		
<p>38. The undertaking with operations in high climate impact sectors [7] shall further disaggregate their total energy consumption from fossil sources by:</p> <ul style="list-style-type: none"> (a) fuel consumption from coal and coal products; (b) fuel consumption from crude oil and petroleum products; (c) fuel consumption from natural gas; (d) fuel consumption from other fossil sources; (e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources; <p>[7] 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).</p>	<p>29. The undertaking shall further disaggregate its total energy consumption from fossil sources by:</p> <ul style="list-style-type: none"> (a) fuel consumption from coal and coal products; (b) fuel consumption from crude oil and petroleum products; (c) fuel consumption from natural gas; (d) fuel consumption from other fossil sources; (e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources. 	<p>26. The undertaking with operations in high climate impact sectors shall further disaggregate its total energy consumption from fossil sources by:</p> <ul style="list-style-type: none"> (a) fuel consumption from coal and coal products; (b) fuel consumption from crude oil and petroleum products; (c) fuel consumption from natural gas; (d) fuel consumption from other fossil sources; and (e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources.
<p>39. In addition, where applicable, the undertaking shall disaggregate and disclose separately its non-renewable energy production and renewable energy production in MWh[8].</p>	<p>30. Where applicable, the undertaking shall also disaggregate and disclose separately its non-renewable energy production and renewable energy production in megawatt hours (MWh).</p>	<p>27. If the undertaking produces energy, it shall also disaggregate and disclose separately its non-renewable energy production and renewable energy production in megawatt hours MWh. [3]</p>

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<p>[8] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by indicator #5 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Share of non-renewable energy consumption and production”).</p>		<p>[3] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by Indicator #5 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (‘Share of non-renewable energy consumption and production’).]</p>
<p>Energy Intensity on net revenue [9]</p> <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.</p> <p>[9] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from a mandatory indicator related to principal adverse impacts as set out by indicator #6 in Table I of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosure rules on sustainable investments (“Energy consumption intensity per high climate impact sector”).</p>		
<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.</p>		
<p>42. The undertaking shall specify the high climate impact sectors that are used to determine the energy intensity required by paragraph 40.</p>		
<p>43. The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial</p>		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
statements of the net revenue amount from activities <i>in high climate impact sectors</i> (the denominator in the calculation of the energy intensity required by paragraph 40).		
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	Disclosure Requirement E1-8 – Gross scope 1, 2, 3 and GHG emissions
44. The undertaking shall disclose in metric tonnes of CO ₂ eq its:	32. The undertaking shall disclose absolute gross GHG emissions generated during the reporting period, expressed as metric tonnes of CO ₂ eq classified as:	29. The undertaking shall disclose absolute gross GHG emissions generated during the reporting period, expressed in metric tonnes of CO ₂ eq classified as:
(a) gross Scope 1 GHG emissions;	(a) Scope 1 GHG emissions , including, the percentage of Scope 1 GHG emissions from regulated emission trading schemes, if it has emissions from such schemes;	(a) scope 1 GHG emissions ; including, the percentage of scope 1 GHG emissions from the EU Emission Trading System (EU ETS) if it has emissions from this system
(b) gross Scope 2 GHG emissions;	(b) gross Scope 2 GHG emissions (location-based and market-based);	(b) scope 2 GHG emissions (location-based and market-based); and
(c) gross Scope 3 GHG emissions; and	(c) Scope 3 GHG emissions from significant Scope 3 categories as a total and per category.	(c) scope 3 GHG emissions from each significant scope 3 category as a total and per category
(d) total GHG emissions.		
	33. The undertaking shall disclose its biogenic CO ₂ emissions from the combustion or biodegradation of biomass separately from the emission scopes.	30. The undertaking shall disclose its direct biogenic CO ₂ emissions from the combustion or biodegradation of biomass separately from scope 1 GHG emissions .
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	45. The objective of this DR is to provide an understanding of the undertaking's direct and indirect impacts on climate change as a result of activities in its own operations and from within its upstream and downstream value chain.	28. The objective of this DR is to enable an understanding of the undertaking's direct and indirect impacts on climate change as a result of activities in its own operations and from within its upstream and downstream value chain.

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<p>climate change caused by the undertaking's consumed energy whether externally purchased or acquired.</p> <p>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.</p> <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. The information from this Disclosure Requirement is also needed to understand the undertaking's climate-related transition risks.</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>AR 18. 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.</p>	<p>AR 19. Chapter 5 of ESRS 1 <i>General Requirements</i> defines the reporting boundary to be applied. The starting point of that boundary corresponds to financial control as per the GHG Protocol Corporate Accounting and Reporting Standard (2004). In addition, the undertaking applies the provisions in paragraphs 72 (leased assets), 73 (benefit schemes) and AR 35 for paragraph 62 (joint operations) of ESRS 1 <i>General Requirements</i>.</p> <p>When, due to specific facts and circumstances, the information reported in paragraph 29(a)(b) is insufficient to portray the emissions resulting from operated assets that are outside the reporting boundary, the undertaking shall</p>

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
		report GHG scope 1 and 2 emissions calculated on the basis of its operational control boundary as defined by the GHG Protocol Corporate Accounting and Reporting Standard (2004).
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).		
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 ₂ eq; and		
b. the percentage of Scope 1 GHG emissions from regulated emission trading schemes.		
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 ₂ eq; and b. the gross market-based Scope 2 GHG emissions in metric tonnes of CO ₂ eq.		
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	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 GHG emissions based on the operational control (consolidation) boundary, as defined in the GHG Protocol Corporate Standard (2004).	AR 19. When, due to specific facts and circumstances, the information reported in paragraph 32(a)(b) for the reporting undertaking is insufficient to describe the emissions resulting from operated assets that are outside the reporting undertaking it shall, in addition to the requirements of paragraph 32, also disclose its GHG scope 1 and 2 emissions calculated on the basis of the full scope of its

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
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.	AR 20. 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 risks and rewards.	operational control boundary (as defined by the GHG Protocol Corporate Accounting and Reporting Standard (2004)). Emissions connected with assets and liabilities of joint operations or joint ventures that are recognised on balance sheets are classified as 'own operations' and calculated on the basis of the share the undertaking has in these assets and liabilities in its financial statements.
51. The disclosure of gross Scope 3 GHG emissions required by paragraph 44 (c) shall include GHG emissions in metric tonnes of CO ₂ eq from each significant Scope 3 category (i.e. each Scope 3 category that is a priority for the undertaking).		
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: a. the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the location-based method; and b. the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the market-based method.		
GHG Intensity based on net revenue 53. The undertaking shall disclose its GHG emissions intensity (total GHG emissions per net revenue).		
54. The disclosure on GHG intensity required by paragraph 53 shall provide the total GHG emissions in		

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metric tonnes of CO ₂ eq (required by paragraph 44 (d)) per net revenue.		
Metrics and Targets		
Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Disclosure Requirement E1-9 – GHG removals and GHG mitigation projects financed through carbon credits	Disclosure Requirement E1-9 – GHG removals and GHG mitigation projects financed through carbon credits
56. The undertaking shall disclose:		
(a) GHG removals and storage in metric tonnes of CO ₂ eq resulting from projects it may have developed in its own operations, or contributed to in its upstream and downstream value chain; and		
(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.		
57. The objective of this Disclosure Requirement is:	34. The objective of this DR is to provide an understanding of: (1) the undertaking's actions to reduce and permanently remove GHGs from the atmosphere, and (2) the extent and quality of carbon credits it has purchased or intends to purchase from the voluntary market.	31. The objective of this DR is to enable an understanding of the undertaking's actions to reduce and permanently remove GHGs from the atmosphere and of the amount and quality of carbon credits it has purchased or intends to purchase from the voluntary market.
(a) to provide an understanding of the undertaking's actions to permanently remove or actively support the removal of GHG from the atmosphere, potentially for achieving net-zero targets (as stated in paragraph 60).		
(b) to provide an understanding of the extent and quality of carbon credits the undertaking has purchased or intends to purchase from the voluntary market, potentially for supporting its GHG neutrality claims (as stated in paragraph 61).		

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58. The disclosure on GHG removals and storage required by paragraph 56 (a) shall include, if applicable:	35. If it has implemented GHG removal and storage 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:	32.If it has implemented GHG removal and storage projects, the undertaking shall disclose information about the projects it has developed in its own operations or contributed to in its upstream and downstream value chain, including:
	(a) a brief description of the GHG removals and storage projects;	(a) a brief description of the GHG removals and storage projects;
(a) the total amount of GHG removals and storage in metric tonnes of CO ₂ 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	(b) the amount of GHG removals and storage	(b) the amount of GHG removals and storage resulting from each project;
(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	(c) how the risk of non-permanence is managed, including assumptions and determining and monitoring leakage and reversal events if applicable; and
	(d) disclose any reversals (in tCO ₂ -e) that may have occurred in the reporting period and decrease the amount of CO ₂ removed and stored by the same amount;	(d) disclose any reversals (in tCO ₂ eq) that may have occurred in the reporting period and decrease the amount of CO ₂ removed and stored by the same amount.
59. The disclosure on carbon credits required by paragraph 56 (b) shall include, if applicable:	36. If applicable, 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 carbon credits , including:	33. The undertaking shall disclose information about any projects outside its own operations and its upstream and downstream value chain that it has financed or intends to finance through any purchase of carbon credits , including:
(a) the total amount of carbon credits outside the undertaking's value chain in metric tonnes of CO ₂ eq that	(a) the amount of carbon credits that are verified against recognised quality standards and cancelled in the reporting period;	(a) the amount of carbon credits in tCO ₂ eq that are verified against recognised quality

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are verified against recognised quality standards and cancelled in the reporting period; and		standards for carbon credits and cancelled in the reporting period;
(b) the total amount of carbon credits outside the undertaking's value chain in metric tonnes of CO ₂ eq planned to be cancelled in the future and whether they are based on existing contractual agreements or not.	(b) the amount of carbon credits planned to be cancelled in the future; and	(b) the amount of carbon credits in tCO ₂ eq purchased in the reporting period and not cancelled yet; and
	(c) the share (percentage of volume) of removal projects, with an explanation of whether they are from nature-based or technological sinks.	(c) the share of carbon credits from removal projects (percentage of total carbon credit volume), with an explanation of whether they are from nature-based or technological sinks.
60. In the case where the undertaking discloses a net-zero target in addition to the gross GHG emission reduction targets 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 neutralised by, for example, GHG removals in its own operations and upstream and downstream value chain.		Moved to AR 11
61. In the case where the undertaking may have made public claims of GHG neutrality that involve the use of carbon credits , it shall explain[12]: [12] This information is aligned with Regulation (EU) 2021/1119 of the European Parliament and of the Council (EU Climate Law), Article 2 (1).	37. In the case where the undertaking has made public claims of GHG neutrality that involve the use of carbon credits , it shall explain:	34. In the case where the undertaking has made public claims of GHG neutrality that involve the use of carbon credits , it shall explain:
(a) whether and how these claims are accompanied by GHG emission reduction targets as required by Disclosure requirement ESRS 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 ¹ , or, if applicable, its net zero target; and	(a) whether and how these claims and the reliance on carbon credits neither impede nor reduce the achievement of its GHG emission reduction targets ;	(a) whether and how these claims and the reliance on carbon credits neither hinder nor undermine the achievement of its GHG emission reduction targets ; and

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(c) the credibility and integrity of the carbon credits used, including by reference to recognised quality standards.	(b) the credibility and integrity of the carbon credits used, namely by referring to recognised quality standards , and any other factors necessary to understand the credibility and integrity of the carbon credits the undertaking plans to use.	(b) the credibility and integrity of the carbon credits used by referring to recognised quality standards for carbon credits and any other factors necessary to 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	Disclosure Requirement E1-10 – Internal carbon pricing
		35. The objective of this DR is to enable an understanding of the role of internal carbon pricing in guiding the undertaking's strategic and operational decision-making to reduce GHG emissions .
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 .	38. The undertaking shall disclose information related to its use of internal carbon pricing schemes , namely:	36. The undertaking shall disclose information related to its use of internal carbon pricing schemes , namely:
63. The information required in paragraph 62 shall include:		
(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;		
(b) the specific scope of application of the carbon pricing schemes (activities, geographies, entities, etc.);		
(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	(a) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis) and the consistency of the prices used with the prices used in the financial statement for impairment tests;	(a) an explanation of whether and how the undertaking applies carbon pricing in decision-making (for example, investment decisions, transfer pricing and scenario analysis) and the consistency of the prices used versus the prices used in the financial statement for impairment tests; and

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(d) the current year approximate gross GHG emission volumes by Scopes 1, 2 and, where applicable, Scope 3 in metric tonnes of CO2eq covered by these schemes, as well as their share of the undertaking's overall GHG emissions for each respective Scope.	(b) the price per metric tonne of GHG emissions .	(b) the average carbon price per metric tonne of GHG emissions for each internal pricing scheme
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	Disclosure Requirement E1-11 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
64. The undertaking shall disclose its:		
(a) anticipated financial effects from material physical risks;		
(b) anticipated financial effects from material transition risks; and		
(c) potential to benefit from material climate-related opportunities.		
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:	39. The objective of this DR is to provide an understanding of how the identified material impacts, risks and opportunities 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 ESRS 2 SBM-3, paragraphs 23 and 24.	37. The objective of this DR is to enable an understanding of how the identified climate-related material physical and transition risks and climate-related opportunities are expected to affect the undertaking's financial position and future performance. Paragraphs 38 and 41 of this Standard add topical specifications to ESRS 2 SBM 3. The information required for this DR is part of the information on current and anticipated financial effects required under 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		

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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.		
(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 disclosed in accordance with Commission Delegated Regulation (EU) 2021/2178.		
66. The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) shall include [13] [13] This information is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate benchmark Regulation). 49 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.	40. The disclosure about anticipated financial effects from material physical risks shall include:	38. The undertaking shall disclose the anticipated financial effects from material physical risks , including:
(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 [14] [14] This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453 - Template	(a) the monetary amount and (percentage) of assets at material physical risk before considering climate change adaptation actions ;	(a) the carrying amount of assets at material physical risk before considering climate change adaptation actions , including the relevant time horizons;

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
5: banking book - Climate change physical risk: Exposures subject to physical risk.		
(b) the proportion of assets at material physical risk addressed by the climate change adaptation actions ;	(c) the percentage of assets at material physical risk addressed by the climate change adaptation actions ;	(b) the percentage of the (carrying amount of) assets at material physical risk addressed by adaptation actions at the reporting date; and
(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	(b) the location of key assets at material physical risk	
(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 {percentage} of revenue from its business activities at material physical risk before considering climate change adaptation actions ;	(c) the monetary amount of net revenue from its business activities at material physical risk, including the relevant time horizons.
	(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 leverages on the process to identify and assess physical risks .	
67. The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) shall include:	41. The undertaking shall disclose the anticipated financial effects from material transition risks , including:	39. The undertaking shall disclose the anticipated financial effects from material transition risks , including
(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 {percentage} of assets at material transition risk before considering climate mitigation actions ;	(a) the carrying amount of assets at material transition risk, including the relevant time horizons, and a range of estimated potential stranded assets from the reporting year until the mid-term and long-term time horizons based on a scenario aligned with limiting climate change to 1.5°C;
(b) the proportion of assets at material transition risk addressed by the climate change mitigation actions ;	(b) the percentage of assets at material transition risk addressed by the climate change mitigation actions ;	(b) the percentage of the (carrying amount of) assets at material transition risk addressed by mitigation actions ;

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<p>(c) a breakdown of the carrying value of the undertaking's real estate assets by energy-efficiency classes [15]</p> <p>[15] This disclosure requirement is consistent with the requirements included in Commission Implementing Regulation (EU) 2022/2453- Template 2: eanking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral.</p>	<p>(c) a breakdown of the carrying amount of its real estate assets that have been used as loan collaterals by energy-efficiency classes</p>	<p>(c) a breakdown of the carrying amount of its real estate assets that have been used as loan collaterals by energy-efficiency classes;</p>
<p>(d) liabilities that may have to be recognised in financial statements over the short-, medium- and long-term; and</p>	<p>(d) potential liabilities related to climate transition that do not meet the accounting recognition criteria at the reporting date but that may have to be recognised in financial statements;</p>	<p>(d) the estimated potential liabilities related to climate transition that do not meet the accounting recognition criteria at the reporting date but that may have to be recognised in financial statements in future periods; and</p>
<p>(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.</p>	<p>(e) the monetary amount and percentage of revenue from its business activities at material transition risk and, where relevant, the net revenue from its customers operating in coal, oil and gas-related activities.</p>	<p>(e) the monetary amount of net revenue from its business activities at material transition risk and, if applicable, the net revenue from its customers operating in coal-, oil- and gas-related activities, including the relevant time horizons.</p>
	<p>(f) an estimate of the amount of potentially stranded assets 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 scenario aligned with limiting climate change to 1.5°C; and</p>	
	<p>(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 leverages on the process to identify and assess transition risks.</p>	

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		40. The undertaking shall disclose the methodology applied to quantify the amounts disclosed under paragraphs 38 and 39, including the scope adopted in the calculation, critical assumptions, parameters and limitations, including whether the calculation leverages on the process (e.g. scenario analysis) used to identify and assess transition risks.
68. The undertaking shall disclose reconciliations to the relevant line items or notes in the financial statements of the following:		
(a) significant amounts of the assets and net revenue at material physical risk (as required by paragraph 66);		
(b) significant amounts of the assets, liabilities, and net revenue at material transition risk (as required by paragraph 67).		
69. For the disclosure of the potential to pursue climate-related opportunities required by paragraph 64 (c) the undertaking shall consider [16] [16] This information is aligned with Commission Delegated Regulation (EU) 2020/1818 (Climate benchmark Regulation).	42. 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.	41. The undertaking shall disclose the amount of assets or revenue from its business activities related with the identified climate-related opportunities , including their associated time horizons.
(a) its expected cost savings from climate change mitigation and adaptation actions (Pillar 3); and		
(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).		
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.		

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Appendix A Application Requirements		
Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Disclosure Requirement E1-1 – Transition plan for climate change mitigation	Disclosure Requirement E1-1 – Transition plan for climate change mitigation
AR 1. A transition plan relates to the undertaking's efforts in climate change mitigation . When disclosing its transition plan, the undertaking is expected to provide a high-level explanation of how it will adjust its strategy and business model 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.	AR 1. A transition plan for climate change mitigation sets out how the undertaking intends to transform its strategy and business model to ensure compatibility with the transition to a sustainable economy. It is a specific type of action plan , distinguished by its direct implications for the undertaking's strategic direction and business model. According to [Draft] Amended ESRS E1, para. 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 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.	AR 1. A transition plan for climate change mitigation sets out how the undertaking intends to transform its strategy and business model to ensure compatibility with the transition to a sustainable economy, and it includes the key features listed out in paragraph 11. The undertaking's transition plan for climate change mitigation can be either stand-alone or included in a broader transition plan covering both mitigation and adaptation aspects. If the undertaking's transition plan also covers adaptation, the disclosure shall specify this fact and cross-reference the information provided in accordance with ESRS E1-3 and E1-5.
	AR 2. The key features referred to in para. 14(a) shall refer to disclosures on policies, actions, resources and targets 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:	AR 2. In disclosing the key features referred to in paragraph 11(a), the undertaking shall refer, if applicable, to disclosures on policies, actions, resources and targets made elsewhere (e.g. ESRS E1-5 and E1-6 as well as ESRS 2 <i>General Disclosures</i>). The transition plan disclosure consolidates the key features of the undertaking's plan into a coherent description that demonstrates that they are strategically aligned to drive business transformation. The relevant disclosures under this paragraph are:
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 transition plan with the objective of limiting global warming to 1.5° C should be understood as the	(a) with reference to targets, a statement on whether the GHG emission reduction targets 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	(a) a statement on whether the GHG emission reduction targets are science-based and compatible with limiting global warming to 1.5°C (with reference to ESRS E1-6, paragraph 23, and the

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disclosure of the undertaking's GHG emissions reduction target . 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 emission reduction 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.	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 providing validation through an independent third party, including information on the third party, the methodology/standard applied and the trajectory used.	associated Application Requirements (ARs));
	(b) with reference to actions, the key actions and an explanation of the decarbonisation levers 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;	(b) decarbonisation levers identified (with reference to ESRS E1-5), including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, upstream or downstream value chain;
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>(c) 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 transition plan for climate change mitigation, 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).</p> <p>While this information helps demonstrate the coherence and credibility of the transition plan, there is no expectation that the undertaking disclose all internal information used to manage the plan.</p>	<p>(c) the amount of significant financial resources (operational or capital expenditure), allocated or expected to be allocated for the implementation of its transition plan for climate change mitigation, including an indicative range of future financial resources expected (with reference to ESRS E1-5 and ESRS 2 GDR-A). This disclosure can be limited to (a) the approved and announced key actions and action plans and (b) the planned funding sources for implementing those actions (ESRS 2 AR 41).</p> <p>The disclosure required by paragraph 11(a) focuses on providing the key elements necessary for demonstrating the coherence and credibility of the undertaking's transition plan for climate change mitigation. The undertaking is not required to disclose detailed internal</p>

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		information used to manage the undertaking's transition plan for climate change mitigation beyond the scope of this disclosure.
		AR 3. Information on dependencies relate to, for instance, deployment of certain technologies, workforce availability or ability to implement changes in the value chain . If applicable, the undertaking shall include information in line with ESRS 2 GDR-A regarding dependencies of future financial resources and other resources and how these may constrain the actions of the transition plan for climate change mitigation . Information on assumptions relate to, e.g., expectations about regulatory requirements or the ability of an entity to implement planned changes within its value chain.
<p>AR 3. When disclosing the information required under paragraph 16(d) the undertaking may consider:</p> <ul style="list-style-type: none"> (a) the cumulative locked-in GHG emissions associated with key assets from the reporting year until 2030 and 2050 in tCO₂eq. 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 installations, 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. (b) the cumulative locked-in GHG emissions associated with the direct use-phase GHG emissions of sold products in tCO₂eq, assessed as the sales volume of 	<p>AR 3. Information on dependencies relate to, e.g. deployment of certain technologies, market demand or policies. 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 resources and other resources and how these may constrain the ability to implement the transition plan actions. The qualitative locked-in emission assessment seeks to ensure that these emissions were adequately considered by the undertaking in its transition plan explaining how the magnitude of the locked-in emissions can potentially put at risk – or not - the eventual implementation of the climate mitigation transition plan.</p>	<p>AR 4. The qualitative assessment of locked-in emissions seeks to ensure that these emissions are adequately considered by the undertaking in its transition plan for climate change mitigation, explaining how the magnitude of the locked-in emissions can potentially put at risk – or not – the eventual implementation of the transition plan.</p>

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<p>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 Scope 3 category “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>AR 4. When explaining its progress in implementing the transition plan, the undertaking shall describe the deployment of resources, the actions taken and the GHG emission reductions achieved or expected to be achieved. Information on progress shall include, where appropriate, sector-specific metrics that can be used to track progress against specific climate targets the undertaking may have set, using recognised sectoral decarbonisation standards.</p>	<p>AR 5. When explaining its progress in implementing the transition plan for climate change mitigation, the undertaking shall explain quantitative and qualitative components such as the deployment of resources, the actions taken and the GHG emission reductions achieved or expected to be achieved. Information on progress shall include, where applicable, sector-specific metrics that can be used to track progress against specific climate targets that the undertaking may have set, using recognised sectoral decarbonisation 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) [46] and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation) [47].</p> <p>[46] Article 12.1 of the Climate Benchmark Standards Regulation states that “Administrators of EU Paris-aligned Benchmarks shall exclude the following companies: a) companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of</p>		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
<p>hard coal and lignite; or b) companies that derive 10% or more of their revenues from exploration, extraction, distribution or refining of oil fuels; or c) companies that derive 50% or more of their revenues from exploration, extraction, manufacturing or distribution of gaseous fuels; or d) companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/KWh.” Article 12.2 states that “Administrators of EU Paris-aligned Benchmarks shall exclude from those benchmarks any companies that are found or estimated by them or by external data providers to significantly harm one or more of the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council, in accordance with the rules on estimations laid down in Article 13(2) of this Regulation.”.</p> <p>[47] This disclosure requirement is consistent with the requirements in Commission Implementing Regulation (EU) 2022/2453 - template 1 climate change transition risk.</p>		
Impact, risk and opportunities		
<i>IRO 1 - Description of the processes to identify and assess material impacts, risks and opportunities</i>	<i>Disclosure Requirement E1-2 – Climate-related risks and scenario analysis</i>	<i>Disclosure Requirement E1-2 – Identification of climate-related risks and scenario analysis</i>
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:		
(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., emissions of black carbon or tropospheric ozone or land-use change) in own operations and along the value chain; and		

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(b) assessed its actual and potential impacts on climate change (i.e., its total GHG emissions).		
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.		
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:	AR 5. In conducting its climate-related physical risk analysis supported by scenario analysis , the undertaking shall:	AR 6. In conducting its climate-related risk analysis, the undertaking shall:
(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) identify climate-related hazards over the short, medium and long term and screened whether its assets and business activities are exposed to these hazards;	(a) identify climate-related hazards (for climate-related physical risks) or transition events (for climate-related transition risks) over the short, medium and long term and screen its assets and business activities to assess whether they are exposed to them; and
(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;		
(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	(b) assess the extent to which its assets and business activities are 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 specific to the undertaking's locations and supply chains ; and	(b) assess the extent to which its assets and business activities are exposed and are sensitive to the identified climate-related hazards or transition events, taking into consideration the likelihood, magnitude and duration of them, as well as the locations of its assets and business dependencies in its value-chain (for climate-related hazards).

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to the undertaking's locations and supply chains ; and		
(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]	(c) base their analysis on at least one high emissions climate scenario.	
AR 12. When disclosing the information on the processes to identify transition risks and opportunities as required under paragraph 20 (c), the undertaking shall explain whether and how it has:	AR 6. In conducting its climate-related transition risk analysis, the undertaking shall:	
(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 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;	(a) identify transition events over the short, medium and long term-and scree-whether its assets and business activities are exposed to these events.	
(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 are exposed and are sensitive to the identified transition events, taking into account the likelihood, magnitude and duration of the transition events; and	

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(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	(c) base its analysis on at least a climate scenario in line with limiting global warming to 1.5°C with no, or limited, overshooting.	
(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). [Table: Examples of climate-related transition events (examples based on TCFD classification)]		
<i>Climate-related scenario analysis</i> 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 scenario analysis that is commensurate to its circumstances to inform the identification and assessment of physical and transition risks and opportunities over the short-, medium- and long-term, including:		
(a) which scenarios were used, their sources and alignment with state-of-the-art science;		

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(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;		
(c) the key forces and drivers taken into consideration in each scenario and why these are relevant to the undertaking, for example, policy assumptions, macroeconomic trends, energy usage and mix, and technology assumptions; and		
(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).		
AR 14. When conducting scenario analysis , the undertaking may consider the following guidance: TCFD Technical Supplement on "The Use of Scenario Analysis in Disclosure of Climate- Related Risks and Opportunities" (2017); TCFD "Guidance on Scenario Analysis for Non Financial Companies" (2020); ISO 14091:2021 "Adaptation to climate change — Guidelines on vulnerability, impacts and risk assessment"; any other recognised industry standards such as NGFS (Network for Greening the Financial System); and EU, national, regional and local regulations.		
AR 15. The undertaking shall briefly explain how the climate scenarios used are compatible with the critical climate-related assumptions made in the financial statements		
	AR 7. The quantification of the exposure of assets and business activities to material climate-related risks is required under Disclosure E1-11 on anticipated financial effects .	

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Strategy		
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure Requirement E1-3 - Resilience in relation to climate change	Disclosure Requirement E1-3 - Resilience in relation to climate change
AR 6. 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.		
AR7. When disclosing the information on how the resilience analysis has been conducted as required under paragraph 19 (b), the undertaking shall explain:		
(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;		
(b) the time horizons applied and their alignment with the climate and business scenarios considered for determining material physical and transition risks (paragraphs AR 11to AR 12) and setting GHG emissions reduction targets (reported under Disclosure Requirement E1-4); and		
(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.		
		AR 7. The analysis of climate resilience builds upon the identification of climate-related scenario risks reported in E1-2, paragraph 15. Therefore, the scope of the analysis of climate

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		resilience is aligned with that of the undertaking's material climate-related risks and informed by climate-related scenario analysis if performed. If climate-related scenario analysis is used specifically for the purpose of assessing climate resilience, the undertaking shall disclose the information prescribed under paragraph 16 and 18.
	AR 8. When performing a qualitative scenario analysis , 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 (anticipated financial effects) for its strategy and business model , including actions required to respond to the climate-related risks and opportunities identified through scenario analysis	AR 8. When assessing the climate resilience of its strategy and business model, the undertaking shall consider the implications for its strategy and business model of the assessments performed in accordance with ESRS E1-2 and of the exposures at risk disclosed in accordance with ESRS E1-11 (anticipated financial effects), including actions required to respond to the climate-related risks and opportunities identified through climate-related scenario analysis if performed
AR 8. When disclosing the information on the results of the resilience analysis as required under paragraph 19 (c), the undertaking shall explain:	AR 9. When disclosing the results and implications of its resilience analysis the undertaking shall: provide its assessment of its climate resilience as at the reporting date;	AR 9. When disclosing the results and implications of its analysis of climate resilience in accordance with paragraph 18(a), the undertaking shall provide its assessment of its climate resilience as at the reporting date. An undertaking is not required to perform an analysis of climate resilience on an annual basis. If the undertaking has updated its assessment of climate-related impacts, risks and opportunities (per ESRS E1-2), it shall update its analysis of resilience. When disclosing under paragraph 18, financial institutions may leverage on the applicable prudential regulatory framework if it includes references to resilience analysis or to related

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
		concepts such as usage of scenarios in the context of sustainability risk plans.
(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 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 to adjust its strategy and business model according to paragraph 21(c), the undertaking shall consider:</p> <ul style="list-style-type: none"> (a) the availability and flexibility of existing financial resources to manage financial impacts of climate-related risks and to capitalise on climate-related opportunities; (b) its ability to redeploy, repurpose, upgrade or decommission existing assets, in response to climate-related changes; (c) the effects of current and planned investments in climate mitigation, adaptation and transition opportunities on climate resilience enhancement. 	<p>AR 10. When disclosing on its capacity to adjust its strategy and business model in accordance with paragraph 18(c), the undertaking shall consider:</p> <ul style="list-style-type: none"> (a) the availability of, and flexibility in, existing financial resources to manage financial effects of climate-related risks and to capitalise on climate-related opportunities; (b) its ability to redeploy, repurpose, upgrade or decommission existing assets in response to climate-related changes; (c) the effect of current and planned investments in climate change mitigation, adaptation and transition opportunities for climate resilience; (d) cross-referencing to its climate change mitigation and climate change adaptation actions, disclosed in ESRS E1-5.
Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation	Disclosure Requirement E1-4 – Policies related to climate change	Disclosure Requirement E1-4 – Policies related to climate change mitigation and adaptation
AR 16. Policies related to either climate change mitigation or climate adaptation may be disclosed separately as their objectives, people involved, actions and resources needed to implement them are different.		

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<p>AR 17. Policies related to climate change mitigation address the management of the undertaking's GHG emissions, GHG removals and transition risks over different time horizons, in its own operations and/or in the upstream and downstream value chain.</p> <p>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 training policies, procurement or supply chain policies, investment policies or product development policies.</p>		
<p>AR 18. Policies related to climate change adaptation address the management of the undertaking's physical climate risks and of its transition risks related to climate change adaptation.</p> <p>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 training policies, and emergency or health and safety policies.</p>		
Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies	Disclosure Requirement E1-5 – Actions and resources in relation to climate change	Disclosure Requirement E1-5 – Actions and resources in relation to climate change mitigation and adaptation
AR 19. When disclosing the information on actions as required under paragraphs 29 (a) and 29 (b), the undertaking may:		
(a) disclose its key actions taken and/or plans to implement climate change mitigation and adaptation policies in its single or separate actions;		
(b) aggregate types of mitigation actions (decarbonisation levers) such as energy efficiency, electrification, fuel switching, use of		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
renewable energy, products change, and supply-chain decarbonisation that fit the undertakings' specific actions;		
(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		
(d) disclose the climate change adaptation actions by type of adaptation solution such as nature-based adaptation, engineering, or technological solutions.		
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.		
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		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
related acquisitions and significant research and development (R&D) investments.		
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.		
Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation	Disclosure Requirement E1-6 – Targets related to climate change	Disclosure Requirement E1-6 – Targets related to climate change
		AR 11. If the undertaking discloses a net-zero target separately to any GHG emission reduction targets it has set, as per ESRS 2 GDR-T, it shall explain how it intends to permanently neutralise any residual GHG emissions.
	AR 11. 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.	AR 12. The GHG emission reduction targets shall be gross targets, meaning that the undertaking shall not include GHG removals, carbon credits or avoided emissions as means of achieving the GHG emission reduction targets. In accordance with GDR-T, the undertaking shall provide information about the scope and methodologies used to define the target, including the method used to calculate scope 2

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		GHG emissions (i.e. either the location-based or market-based method).
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.	AR 12. Under para. 26 (a) the undertaking can 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. 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.	AR 13. If the undertaking discloses intensity targets , they shall be formulated as ratios of GHG emissions relative to a unit of physical activity or economic output. In cases where the undertaking has only set a GHG intensity reduction target, it shall disclose the associated absolute values for the target year and interim target year(s) – except for financial institutions scope 3, category 15 emissions, as explained below. 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 the organic growth of its business. Financial institutions are exempted from disclosing absolute values for their scope 3, category 15 emission intensity targets, provided they: <ul style="list-style-type: none"> (a) use physical or financial measures as denominators for intensity targets and consistently disclose absolute financed emissions for those targets (such as targets for material high-impact sectors); and (b) provide contextual information (as per GDR-M) for the targets that have been set, describing the key factors influencing expected changes in absolute financed emissions over time and how they relate with the observed trends in the past 3 to 5 years.
AR 24 When disclosing the information required under paragraph 34 (b), the undertaking shall specify the share		

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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 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.		
AR 25. When disclosing the information required under paragraph 34(c) on base year and baseline value:	AR 13. When applying GDR-T (base year and target year, baseline value and target year values):	AR 14. When applying GDR-T:
(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;		
(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 targets , the undertaking shall select a recent base year that does not precede the first reporting year	(a) the baseline value and base year are not to be changed unless key changes in either the target or reporting boundary occur; and	(a) the baseline value and base year are not to be changed unless key changes occur in either the target or reporting boundary; and

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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;		
(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	(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 targets or the first year of application of the sustainability reporting requirements.	(b) the undertaking shall select a recent and representative base year. The base year chosen by the undertaking may be either the currently applied base year for existing targets or the first year of application of the sustainability reporting requirements.
(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.		
	AR 15. The undertaking reporting under E1-8 using an operational control boundary can report Scope 1 and Scope 2 GHG emission reduction targets referring to this organisational boundary.	AR 16. If the undertaking reports under ESRS E1-8 using an operational control boundary, it may report scope 1 and scope 2 GHG emission reduction targets referring to this organisational boundary.
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-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 emission reduction targets or	AR 16. (AR 26 amended) When disclosing the information required under paragraph 26(c), the undertaking shall compare its target value(s) with 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) against which its own GHG emission reduction targets or interim targets in the respective Scopes can be compared.	AR.17. When disclosing the information required under paragraph 23(c), the undertaking shall compare its target value(s) with 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 a separate one for scope 3 if it has scope 3

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
interim targets in the respective Scopes can be compared.		<p>GHG emissions reduction targets) against which its own GHG emission reduction targets or interim targets in the respective scopes can be compared.</p> <p>The explanation of how the targets are compatible is done by benchmarking the target value against the reference target value. Validation through an independent third party, including information on the third party, the methodology/standard applied and the trajectory used can be valuable inputs to be considered in this explanation.</p>
AR 27. The reference target value may be calculated by multiplying the GHG emissions in the base year with either a sector-specific (sectoral decarbonisation methodology) or cross-sector (contraction methodology) emission reduction 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.		
AR 28. The emission reduction factors are subject to further development. Consequently, undertakings are encouraged to only use updated publicly available information. [Table]		
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		

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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 and it shall provide appropriate evidence of its past achieved GHG emission reduction.		
AR 30. When disclosing the information required under paragraph 34 (f), the undertaking shall explain:		
(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);		
(b) whether it plans to adopt new technologies and the role of these to achieve its GHG emission reduction targets; and		
(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.		
AR 31. The undertaking may present its GHG emission reduction targets together with its climate change mitigation actions (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]	AR 14. The undertaking may present its GHG emission reduction targets together with its climate change mitigation actions (see para. 24) showing the decarbonisation levers and their 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):	AR 15. The undertaking may present its GHG emission reduction targets together with its climate change mitigation actions (see paragraph 21) showing the decarbonisation levers and their quantitative contributions to achieve the GHG emission reduction targets as a table (see, e.g., Figure 1) or graphic over time (see, e.g., Figure 2). <i>Figure 1: ESRS E1 Climate Change – Table 1</i>

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	<p>(a) as a list of key decarbonisation levers with disaggregation by key climate change mitigation actions (see, e.g. Figure 2); or</p> <p>(b) as a table (see, e.g. Figure 2) or graphic over time (see, e.g. Figure1).</p> <p><i>Figure 1: ESRS E1 - Graphic 1</i></p> <p><i>Figure 2: ESRS E1 - Table 1</i></p>	<i>Figure 2: ESRS E1 Climate Change – Graphic 1</i>
Metrics and Targets		
Disclosure Requirement E1-5 – Energy consumption and mix	Disclosure Requirement E1-7 – Energy consumption and mix	Disclosure Requirement E1-7 – Energy consumption and mix
<p><i>Calculation guidance</i></p> <p>AR 32. When preparing the information on energy consumption required under paragraph 35, the undertaking shall:</p>	AR 17. When preparing the information on energy consumption required under para. 28, the undertaking shall adopt the following calculation approaches:	AR 18. When preparing the information on energy consumption required under paragraph 25, the undertaking shall adopt the following 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) report energy consumed from processes controlled by it applying the same organisational boundary perimeter applied for reporting GHG Scopes 1 and 2 emissions;	
(b) exclude feedstocks and fuels that are not combusted for energy purposes. The undertaking that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures;	(b) exclude feedstocks and fuels that are not combusted for energy purposes (e.g. natural gas to produce polymers). The undertaking that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures;	(a) exclude feedstocks and fuels that are not combusted for energy purposes (e.g. natural gas to produce polymers). The undertaking that consumes fuel as feedstocks can disclose information on this consumption separately from the required disclosures;
(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	(c) ensure all quantitative energy-related information is reported in megawatt-hour (MWh) in Lower Heating Value or net calorific value.	(b) use MWh in Lower Heating Value or net calorific value for all quantitative combustion-related information;

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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;		
<p>(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 [55] on energy efficiency;</p> <p>[55] Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).</p>	(d) ensure all quantitative energy-related information is reported as final energy consumption, referring to the amount of energy the undertaking actually consumes	(c) base all quantitative energy-related information on final energy consumption, therefore referring to the amount of energy the undertaking actually consumes;
(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;	(d) 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 accounted only once under fuel consumption;
(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;	(e) not offset energy consumption even if onsite generated energy is sold to and used by a third party;

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(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;	(f) not count energy that is sourced from within the organisational boundary 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;	(h) account for steam, heat or cooling received as 'waste energy' from a third party's industrial processes under 'purchased or acquired' energy;	(g) account for steam, heat or cooling received as 'waste energy' from a third party's industrial processes under 'purchased or acquired' energy;
<p>(i) account for renewable hydrogen [56] 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</p> <p>[56] Compliant with the requirements in delegated acts for hydrogen from renewable sources: Commission delegated regulation of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of nonbiological origin; and Commission delegated regulation of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a minimum threshold for greenhouse gas emissions savings of recycled carbon fuels and by specifying a methodology for assessing greenhouse gas emissions savings from renewable liquid and gaseous transport fuels of non-biological origin and from recycled carbon fuel</p>	<p>(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</p>	<p>(h) 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</p>
(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	(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	(i) adopt a conservative approach when splitting the electricity, steam, heat or cooling between renewable and non-renewable sources and indicate whether it derives the fraction of renewables from the market-based or location-based approach. The

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<p>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 [18] or similar instruments like Renewable Energy Certificates in the US and Canada, etc.).</p> <p>[18] 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>	<p>(renewable power purchasing agreement, standardised green electricity tariff, market instruments like Guarantee of Origin from renewable sources in Europe [4] or similar instruments like Renewable Energy Certificates in the US and Canada, etc.).</p> <p>[4] 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>	<p>undertaking that relies on the market-based approach shall consider energy consumption as deriving from renewable sources only if the nature of the purchased environmental attribute is clearly defined in the contractual arrangements with its suppliers (i.e. renewable power purchasing agreement, standardised green electricity tariff, market instruments such as Guarantee of Origin from renewable sources in Europe [4] or similar instruments such as Renewable Energy Certificates in the US and Canada).</p> <p>[4] 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>
AR 33. The information required under paragraph 38 is applicable if the undertaking is operating in at least one high climate impact sector . 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.		
AR 34. The information on Energy consumption and mix may be presented using the following tabular format for high climate impact sectors and for all other sector by omitting rows (1) to (5). [Table]		
AR 35. The total energy consumption with a distinction between fossil, nuclear and renewable energy consumption may be presented graphically in the sustainability statement showing developments over time (e.g., through a pie or bar chart).		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
Energy intensity based on net revenue <i>Calculation guidance</i> AR 36. When preparing the information on energy intensity required under paragraph 40, the undertaking shall:		
(a) calculate the energy intensity ratio using the following formula: [Formula]		
(b) express the total energy consumption in MWh and the net revenue in monetary units (e.g., Euros);		
(c) 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;		
(d) calculate the total energy consumption in line with the requirement in paragraph 37;		
(e) 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.		
AR 37. The quantitative information may be presented in the following table. [Table]		
AR 38. The reconciliation of net revenue from activities in high climate impact sectors to the relevant financial statements line item or disclosure (as required by paragraph 43) may be presented either:		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
(a) by a cross-reference to the related line item or disclosure in the financial statements; or		
(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.		
[Table]		
Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Disclosure Requirement E1-8 – Gross Scopes 1, 2, 3 GHG emissions	Disclosure Requirement E1-8 – Gross Scopes 1, 2, 3 GHG emissions
Calculation guidance AR 39. When preparing the information for reporting GHG emissions as required by paragraph 44, the undertaking shall:	AR 21. When preparing the information for reporting GHG emissions the undertaking shall:	AR 20. When preparing the information for reporting GHG emissions the undertaking shall:
a. consider the principles, requirements and guidance provided by the GHG Protocol Corporate Standard (version 2004). The undertaking may consider Commission Recommendation (EU) 2021/2279 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);	(a) consider the GHG Protocol Corporate Standard (2004). The undertaking can also consider Commission Recommendation (EU) 2021/2279 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);	(a) consider the GHG Protocol Corporate Accounting and Reporting Standard (version 2004). The undertaking may also consider Commission Recommendation (EU) 2021/2279 [5] or the requirements stipulated by EN ISO 14064-1:2018. In all cases, the requirements of ESRS take precedence over the above-mentioned GHG accounting standards (e.g., regarding reporting boundaries); [5] 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).
b. disclose the methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions accompanied by the reasons why they were		

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chosen, and provide a reference or link to any calculation tools used;		
c. include emissions of CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , and NF ₃ . Additional GHG may be considered when significant; and	(b) include emissions of CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , and NF ₃ . Additional GHGs may be considered when significant;	(b) include emissions of CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , and NF ₃ . Additional GHGs may be considered when significant;
d. use the most recent Global Warming Potential (GWP) values published by the IPCC based on a 100-year time horizon to calculate CO ₂ eq emissions of non-CO ₂ gases.	(c) use the most recent Global Warming Potential (GWP) values published by the IPCC based on a 100-year time horizon to calculate CO ₂ eq emissions of non-CO ₂ gases. 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;	(c) use the most recent Global Warming Potential (GWP) values published by the Intergovernmental Panel on Climate Change (IPCC) based on a 100-year time horizon to calculate CO ₂ eq emissions of non-CO ₂ gases. 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 49, which GWPs the GHG inventory is based on;
	(d) not include any removals, any purchased, sold or transferred <i>carbon credits</i> or GHG allowances in the calculation of <i>GHG emissions</i> ; and	(d) not include any removals, any purchased, sold or transferred carbon credits or any GHG allowances in the calculation of <i>GHG emissions</i> ; and
	(e) include biogenic emissions from the combustion or biodegradation of biomass (in particular, CH ₄ and N ₂ O).	(e) not include biogenic emissions of CO ₂ from the combustion or biodegradation of biomass in scope 1, 2 and 3. The undertaking shall include non-CO ₂ GHG emissions, such as CH ₄ and N ₂ O in the relevant scopes.
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 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-		

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time operational control, it shall consolidate 100% the GHG emitted during the time of its operational control.		
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 ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , and other GHG considered by the undertaking) or source type (stationary combustion, mobile combustion, process emissions and fugitive emissions).	AR 26. The undertaking shall disaggregate information on its 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 (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , and other GHG considered by the undertaking) or source type (stationary combustion, mobile combustion, process emissions and fugitive emissions).	AR 25. The undertaking shall disaggregate its GHG emissions in accordance with the provisions of ESRS 1 <i>General Requirements</i> , Chapter 3.3.2, if applicable. For example, it can disaggregate its GHG emissions by country or geography, operating segments, economic activity, subsidiary, GHG (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , and other GHG considered by the undertaking) or source 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: a. the undertaking uses the most recent data available from those entities in its value chain to measure and disclose its greenhouse gas emissions; b. the length of the reporting periods is the same; and 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.		
AR 43. When preparing the information on gross Scope 1 GHG emissions required under paragraph 48 (a), the undertaking shall:		

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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;		
b. use suitable and consistent emission factors;		
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);		
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		
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 Emissions Trading Scheme (ETS), the undertaking shall 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 21. For activities covered by the EU Emissions Trading System (ETS), the undertaking shall 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 provided the methodology is aligned with local jurisdictional rules and relevant for the undertaking.
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 Schemes (ETS), including the EU-ETS, national ETS and non-EU ETS, if applicable; b. only include emissions of CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3;	AR 23. When preparing the information on the percentage of Scope 1 GHG emissions from regulated emission trading schemes required under paragraph 32, the undertaking shall: (a) consider GHG emissions from the installations it operates that are subject to regulated ETS, including the EU-ETS, national ETS and non-EU ETS, if it operates such installations; (b) ensure the same accounting period for gross Scope 1 GHG emissions and GHG emissions regulated under the ETS; and (c) calculate the share by using the following formula:	AR 22. When preparing the information on the percentage of scope 1 GHG emissions from EU ETS required under paragraph 29(a), the undertaking shall: (a) consider GHG emissions from its emission sources subject to EU ETS; (b) ensure the same accounting period for gross scope 1 GHG emissions and GHG emissions regulated under the ETS; and (c) calculate the share by using the following formula:

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c. ensure the same accounting period for gross Scope 1 GHG emissions and GHG emissions regulated under the ETS; and d. calculate the share by using the following formula: [Formula]	% = GHG Emissions in (t CO ₂ eq) from EU ETS installations + national ETS installations + nonEU ETS installations (divided by) Scope 1 GHG emissions (t CO ₂ eq)	% = GHG Emissions (t CO ₂ eq) from emission sources subject to EU ETS (divided by) Scope 1 GHG emissions (t CO ₂ eq)
AR 45. When preparing the information on gross Scope 2 GHG emissions required under paragraph 49, the undertaking shall:	AR 24. When preparing the information on gross Scope 2 GHG emissions required under paragraph 32, the undertaking shall:	AR 23. When preparing the information on gross scope 2 GHG emissions required under paragraph 29, the undertaking shall:
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) take into account 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). The undertaking can 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; and	(a) consider the GHG Protocol scope 2 Guidance (Version 2015, particularly the scope 2 quality criteria in chapter 7.1 relating to contractual instruments). The undertaking 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; and
b. include purchased or acquired electricity, steam, heat, and cooling consumed by the undertaking;		
c. avoid double counting of GHG emissions reported under Scope 1 or 3;		
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	(b) reflect the share and types of contractual instruments it has used to purchase of energy or to claim specific attributes about it in its Scope 3 market-based figure, taking also [Draft] Amended ESRS E1-7, AR 17(j), into account.	(b) in accordance with ESRS 2 GDR-M, provide information about any contractual instruments that is necessary to inform users’ understanding of the entity’s scope 2 market based GHG emissions.

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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.		
e. disclose biogenic emissions of CO ₂ 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 ₄ and N ₂ O). In case the emission factors applied do not separate the percentage of biomass or biogenic CO ₂ , the undertaking shall disclose this. In case GHG emissions other than CO ₂ (particularly CH ₄ and N ₂ 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.		
f. not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 2 GHG emissions.		
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 Scope 3 GHG emissions required under para. 32, the undertaking shall adopt the following calculation approaches:	AR 24. When preparing the information on gross scope 3 GHG emissions required under para. 29, the undertaking shall:
(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). The undertaking can also 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 GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011). The undertaking can also consider Commission Recommendation (EU) 2021/2279 or the relevant requirements

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
		for the quantification of indirect GHG emissions from EN ISO 14064-1:2018;
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);	(f) if it reports 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); and	(f) 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> ‘PCAF 2022’. The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition’, if it is a financial institution; and
(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 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 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, the undertaking 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);
(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 GHG emissions 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 transition risks and opportunities or stakeholder views;	(c) identify and disclose its significant Scope 3 categories based on the magnitude of their estimated GHG emissions 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 transition risks and opportunities or stakeholder views;
(e) calculate or estimate GHG emissions in significant Scope 3 categories using suitable emissions factors;		
(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	(e) update Scope 3 GHG emissions in each significant category every year on the basis of current activity data and update the full Scope 3 GHG inventory at least every three years or on the	(e) update scope 3 GHG emissions in each significant category every year on the basis of current activity data and update the full Scope 3 GHG inventory at least every three years or on

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significant change in circumstances (a significant event or significant change in circumstances can, for 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);	occurrence of a significant event or a significant change in circumstances	the occurrence of a significant event or a significant change in circumstances;
(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.	(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);	(d) prioritise its 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>(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> <ul style="list-style-type: none"> i. indirect Scope 3 GHG emissions from the consolidated accounting group (the parent and its subsidiaries), 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), iii. Scope 1, 2 and 3 GHG emissions from associates, joint ventures, unconsolidated subsidiaries (investment entities) and joint arrangements for which the undertaking 		

ESRS E1 as enacted in 2023	Exposure Draft ESRS E1	Draft Amended ESRS E1
does not have operational control and when these entities are part of the undertaking's upstream and downstream value chain.		
(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;		
(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;		
(k) not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 3 GHG emissions;		
	(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'	(g) if applicable, 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'.
AR 47. When preparing the information on the total GHG emissions required under paragraph 52, the undertaking shall: a. apply the following formulas to calculate the total GHG emissions: [Formula] 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.		

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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. [table]	AR 27. The undertaking may present its GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3 in accordance with the table below, 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 GHG emission reduction target base year, indicating the percentage change (reduction/increase) in the corresponding column. [table]	AR 26. The undertaking may present its GHG emissions in accordance with the table below, populating the rows as relevant in line with its disclosures under paragraph 29. A comparison of the undertaking's emissions over time may be performed by comparing current year emissions to a meaningful comparative, e.g. a GHG emission reduction target base year, indicating the percentage change (reduction/increase) in the corresponding column. [table]
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.		
AR 50. The Scope 3 GHG emissions may also be presented by according to the indirect emission categories defined 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".		
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).		

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<p>GHG intensity based on net revenue</p> <p>Calculation guidance</p> <p>AR 53. When disclosing the information on GHG intensity based on net revenue required under paragraph 53, the undertaking shall:</p> <ul style="list-style-type: none"> (a) calculate the GHG intensity ratio by the following formula: [Formula] (b) express the total GHG emissions in metric tonnes of CO₂eq and the net revenue in monetary units (e.g., Euros) and present the results for the market-based and location-based method; (c) include the total GHG emissions in the numerator and overall net revenue in the denominator; (d) calculate the total GHG emissions as required by paragraphs 44 (d) and 52; and (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>AR 54. The quantitative information may be presented in the following tabular format.</p> <p>[Table]</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> <ul style="list-style-type: none"> (a) a cross-reference to the related line item or disclosure in the financial statements; or (b) if the net revenue cannot be directly cross-referenced to a line item or disclosure in the financial 		

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statements, by a quantitative reconciliation using the below tabular format [Table]		
<i>Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits</i>	<i>Disclosure Requirement E1-9 – GHG removals and GHG mitigation projects financed through carbon credits</i>	
<i>GHG removals and storage in own operations and the upstream and downstream value chain</i> 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 <i>value chain</i> that the undertaking supports through the purchase of <i>carbon credits</i> are to be disclosed separately as required by paragraphs 56 (b) and 59.		
AR 57. When disclosing the information on <i>GHG removals and storage</i> from the undertaking's own operations and its upstream and downstream <i>value chain</i> required under paragraphs 56 (a) and 58, for each removal and storage activity, the undertaking shall describe:		
(a) the GHGs concerned;		
(b) whether removal and storage are biogenic or from <i>land-use change</i> (e.g., afforestation, reforestation, forest restoration, urban tree planting, agroforestry, building soil carbon, etc.), technological (e.g., direct air capture), or hybrid (e.g., bioenergy with CO2 capture and storage), and technological details about the removal, the type of		

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storage and, if applicable, the transport of removed GHGs;		
(d) if applicable, a brief explanation of whether the activity qualifies as a nature-based solution; and		
(d) how the risk of non-permanence is managed, including determining and monitoring leakage and reversal events, as appropriate.		
<p><i>Calculation Guidance</i></p> <p>AR 58. When preparing the information on GHG removals and storage from the undertaking's own operations and its upstream and downstream value chain required under paragraphs 56 (a) and 58, the undertaking shall:</p>	AR 28. GHG removals and storage include both nature-based solutions as well as technological removals and storage. When preparing the information on its projects the undertaking shall:	AR 27. GHG removals and storage include both nature-based solutions as well as technological removals and storage. When preparing information on its projects, the undertaking shall:
(a) consider, as far as applicable, the GHG Protocol Corporate Standard (version 2004), Product Standard (version 2011), Agriculture Guidance (version 2014), Land use, land-use change , and forestry Guidance for GHG project accounting (version 2006);		
(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;	<p>(a) apply consensus methods on accounting for GHG removals as soon as they are available, notably the EU Carbon Removals and Carbon Farming Certification (CRCF) Regulation;</p> <p>[6] Regulation (EU) 2024/3012 of the European Parliament and of the Council of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products</p>	<p>(a) apply consensus methods on accounting for GHG removals as soon as they are available, such as the EU Carbon Removals and Carbon Farming Certification (CRCF) Regulation [6];</p> <p>[6] Regulation (EU) 2024/3012 of the European Parliament and of the Council of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products</p>
(c) if applicable, explain the role of removals for its climate change mitigation policy ;		
(d) include removals from operations that it owns, controls, or contributes to and that have not been sold to another party through carbon credits;	(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 carbon credits and that are not double counted or reported;	(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 carbon

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		credits , and that are not double counted or reported;
(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;		
(f) account for the GHG emissions 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;	(c) account for the GHG emissions associated with a removal activity, including transport and storage, under DR E1-8 transport and storage;	(c) account for the GHG emissions associated with a removal activity, including transport and storage, under ESRS E1-8; and
(g) in case of a reversal, account for the respective GHG emissions as an offset for the removals in the reporting period;		
(h) use the most recent GWP values published by the IPCC based on a 100-year time horizon to calculate CO ₂ eq emissions of non-CO ₂ gases and describe the assumptions made, methodologies and frameworks applied for calculation of the amount of GHG removals; and		
(i) consider nature-based solutions .		
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 value chain shall include those that the undertaking is actively supporting, for example, through a cooperation project with a supplier .	(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 supplier .	(d) include in the calculation the removal activities in the upstream and downstream value chain that the undertaking is actively contributing to, e.g., through a cooperation project with a supplier .

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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.		
AR 60. The quantitative information on GHG removals may be presented by using the following tabular format. [Table]		
<i>GHG mitigation projects financed through carbon credits</i> AR 61. Financing GHG <i>emission reduction</i> projects outside the undertaking's <i>value chain</i> through purchasing <i>carbon credits</i> that fulfil high-quality standards can be a useful contribution towards mitigating climate change. This Standard requires the undertaking to disclose whether it uses <i>carbon credits</i> separately from the GHG <i>emissions</i> (paragraphs 56 (b) and 59) and GHG <i>emission reduction targets</i> (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.		
AR 62. When disclosing the information on <i>carbon credits</i> required under paragraphs 56 (b) and 59, the undertaking shall disclose the following disaggregation as applicable:		
(a) the share (percentage of volume) of reduction projects and removal projects;		
(b) for carbon credits from removal projects, an explanation whether they are from biogenic or technological sinks;		
(c) the share (percentage of volume) for each recognised quality standard;		
(d) the share (percentage of volume) issued from projects in the EU; and		

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(e) the share (percentage of volume) that qualifies as a corresponding adjustment under Article. 6 of the Paris Agreement.		
<i>Calculation guidance</i> AR 63. When preparing the information on carbon credits required under paragraphs 56 (b) and 59, the undertaking shall:	AR 29. When preparing the information on carbon credits , the undertaking shall:	AR 28. When preparing the information on carbon credits , the undertaking shall:
(a) Consider recognised quality standards ;	(a) Consider recognised quality standards ;	(a) consider recognised quality standards for carbon credits ;
(b) if applicable, explain the role of carbon credits in its climate change mitigation policy ;		
(c) not include carbon credits issued from GHG emission reduction projects within its value chain 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 GHG emission reduction projects and GHG emission removal projects within its own operations, upstream and downstream value chain to avoid; and	(b) in order to avoid double counting, not include carbon credits issued from GHG emission reduction projects nor GHG emission removal projects within its own operations or upstream and downstream its value chain; and
(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);		
(e) not disclose carbon credits as an offset for its GHG emissions under Disclosure Requirement E1-6 on GHG emissions;		
(f) not disclose carbon credits as a means to reach the GHG emission reduction targets disclosed under Disclosure Requirement E1-4; and		
(g) calculate the amount of carbon credits to be cancelled in the future, as the sum of carbon credits in metric tonnes of CO ₂ 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 ₂ eq over the duration of existing contractual agreements.	© calculate the amount of carbon credits to be cancelled in the future as the sum of carbon credits in metric tonnes of CO ₂ eq over the duration of existing contractual agreements.
AR 64. The information on carbon credits cancelled in the reporting year and planned to be cancelled in the		

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future may be presented using the following tabular formats. [Table]		
<i>Disclosure Requirement E1-8 – Internal carbon pricing</i>	<i>Disclosure Requirement E1-10 – Internal carbon pricing</i>	<i>Disclosure Requirement E1-10 – Internal carbon pricing</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,		
(a) the assessment of the useful life and residual value of its assets (intangibles, property, plant and equipment);		
(b) the impairment of assets; and		
© the fair value measurement of assets acquired through business acquisitions.		
AR 66. The information may be presented by using the following table: [Table]		
<i>Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities</i>	<i>Disclosure Requirement E1-11 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities</i>	<i>Disclosure Requirement E1-11 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities</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-		

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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		
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 .		.
<p><i>Calculation guidance - Anticipated financial effects from material physical risks</i></p> <p>AR 69. When disclosing the information required under paragraphs 64 (a) and 66, the undertaking shall explain whether and how:</p> <ul style="list-style-type: none"> (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 (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 	<p>AR 30. When disclosing the information required under paras. 40 to 42, the undertaking shall adopt the following calculation approaches:</p> <ul style="list-style-type: none"> (a) consider the time horizons (short, medium and long-term) over which the effects of climate-related risks and opportunities could reasonably be expected to occur; (b) include all types of assets including finance-lease / right-of-use assets; (c) present the monetary amounts (or percentages) as either a single amount or range; (d) for para. 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 	<p>AR 29. When disclosing the information required under paragraphs 38 to 41, the undertaking shall adopt the following approaches:</p> <ul style="list-style-type: none"> (a) consider the time horizons (short-, medium- and long-term) over which the effects of climate-related risk and opportunities could reasonably be expected to occur; (b) include all of the types of the undertaking's own physical assets, including finance-lease / the underlying asset of the right-of-use assets; (c) present the monetary amounts (or percentages) as either a single amount or range; (d) present the carrying amount of assets as of the reporting date and

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linked to the expected lifetime of the undertaking's assets, strategic planning horizons and capital allocation plans.	which the energy consumption is based on internal estimates.	<p>the net revenue as those related to the reporting period;</p> <p>(e) for paragraph 39(c), present the energy efficiency class in terms of either ranges of energy consumption in kWh/m² or the Energy Performance Certificate (EPC) label class. If the undertaking cannot obtain this information without undue cost and effort, it shall disclose the total carrying amount of the real estate assets for which the energy consumption is based on internal estimates; and</p> <p>(f) disclose net revenue and the carrying amount of assets, making it consistent with the financial statements.</p>
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:		
(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.		

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(b) All types of assets including finance-lease / right-of-use assets shall be considered when determining the assets at material physical risk.		
<p>(c) To contextualise this information, the undertaking shall:</p> <ul style="list-style-type: none"> i. disclose the location of its significant assets at material physical risk. Significant assets located [19] 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 [20]. <p>[19] This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 5 exposures subjects to physical risk).</p> <p>[20] This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 5 exposures subjects to physical risk.</p>		
(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 Disclosure Requirement E1-3. This aims at approximating net risks.		
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		
(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.		
(b) may include a breakdown of the undertaking's business activities with the corresponding details of		.

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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.		
<p><i>Calculation guidance - Anticipated financial effects from transition risk</i></p> <p>AR 72. When disclosing the information required under paragraphs 64 (b) and 67 (a), the undertaking shall explain whether and how:</p>		
(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		
(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.		
AR 73. When disclosing the information on assets at material transition risk as required under paragraphs 67 (a) and (b):		

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<p>(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 <i>locked-in GHG emissions</i> 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 <i>policy scenarios</i>, including a scenario aligned with limiting climate change to 1.5°C.</p>		
<p>(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 [21] (Energy Performance Certificate) [22] 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.</p> <p>[21] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).</p> <p>[22] This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 - Template 2 immovable property, energy efficiency of the collateral.</p>		
<p>(c) the undertaking shall calculate the proportion (percentage) of total assets (including finance lease/right-of-use assets) at material transition risk</p>		

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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.		
AR 74. When disclosing the information on potential liabilities from material transition risks required under paragraph 67(d):		
(a) undertakings that operate installations regulated under an emission trading scheme may include a range of potential future liabilities originating from these schemes;		
(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: <ul style="list-style-type: none"> i. the number of allowances held by the undertaking at the beginning of the reporting period; ii. the number of allowances to be purchased in the market yearly, i.e., before and until 2030; 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 the estimated yearly cost per tonne of CO2 for which an allowance needs to be purchased; 		
(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;		

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(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>(e) the undertaking may also include its monetised gross Scope 1, 2 and total GHG emissions (in monetary units) calculated as follows:</p> <ul style="list-style-type: none"> i. monetised Scope 1 and 2 GHG emissions in the reporting year by the following formula: [Formula] ii. monetised total GHG emissions in the reporting year by the following formula: [Formula] iii. by use of a lower, middle and upper cost rate [23] for GHG emissions (e.g., market carbon price and different estimates for the societal costs of carbon) and reasons for selecting them. <p>[23] 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.</p>		
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.		
AR 76. When preparing the information required under paragraph 67 (e), the undertaking may assess and		

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disclose the share of net revenue from business activities at transition risks . This disclosure:		
(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.		
(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.		
<p><i>Connectivity with financial reporting information</i></p> <p>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:</p> <ul style="list-style-type: none"> (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-referenced, as a quantitative reconciliation of each to the relevant line item or disclosure in the financial statement using the below tabular format: <p>[Table]</p>		
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		

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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).		
AR 79. For potential future effects on liabilities (as required by paragraph 67 (d)), if applicable, the undertaking shall crossreference the description of the emission trading schemes in the financial state.		
<i>Climate-related opportunities</i> 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 <i>scenario analysis</i> was applied.		
AR 81. When disclosing the information required under paragraph 69 (b), the undertaking shall explain how it 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 <i>opportunities</i> and, where possible, this should be linked to the disclosures on <i>policies, targets</i> and <i>actions</i> under Disclosure Requirements E1-2, E1-3 and E1-4.		

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		AR 30. When disclosing on paragraph 38(c), 39(a) and 39(e), the undertaking shall explain whether the amount is assessed before or after mitigation actions .
		AR 31. If the undertaking discloses the information prescribed under 39(d) in its financial statement, it shall refer to it.
		AR 32. When disclosing the methodology applied to quantify the amounts disclosed under paragraphs 38 and 39, the undertaking shall include where relevant the location of its assets at material physical risks aggregated in a way that support faithful representation of its risks.



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