

ESRS E1 – E5

Environment Standards

- **E1: Climate Change**
 - **E2: Pollution**
- **E3: Water & Marine Resources**
 - **E4: Biodiversity**
- **E5: Resource Use & Circular Economy**

Environment standards

The environment standards are one of the three pillars within the ESRS framework.

The 5 topics are 'Climate change', 'Pollution', 'Water and Marine Resources', 'Biodiversity' and as last 'Resource Use and Circular Economy'.

These five topics are central in the CSRD, with the largest amount of mandatory disclosure requirements. Dependent on the MA, of course, a number of DR's will be applicable or not.

Within the different standards a lot of reference is made to different methodologies to measure and analyse the impact per topic. Based on those scientific methodologies, the company should continue.

E1 – Climate Change

ESRS	Materiality Assessment?			Type of datapoints			Phase in		
	Irrespective of MA	Subject to MA	May	Narrative	Semi-Narrative	Numerical	Phase In Year 1	Phase In Year 2	Phase In Year 3
ESRS E-1	16	177	15	59	25	109	26	26	26

The topic Climate Change –fundamental to the CSRD & ESRS - require to disclose everything related to greenhouse gas emissions of a company.

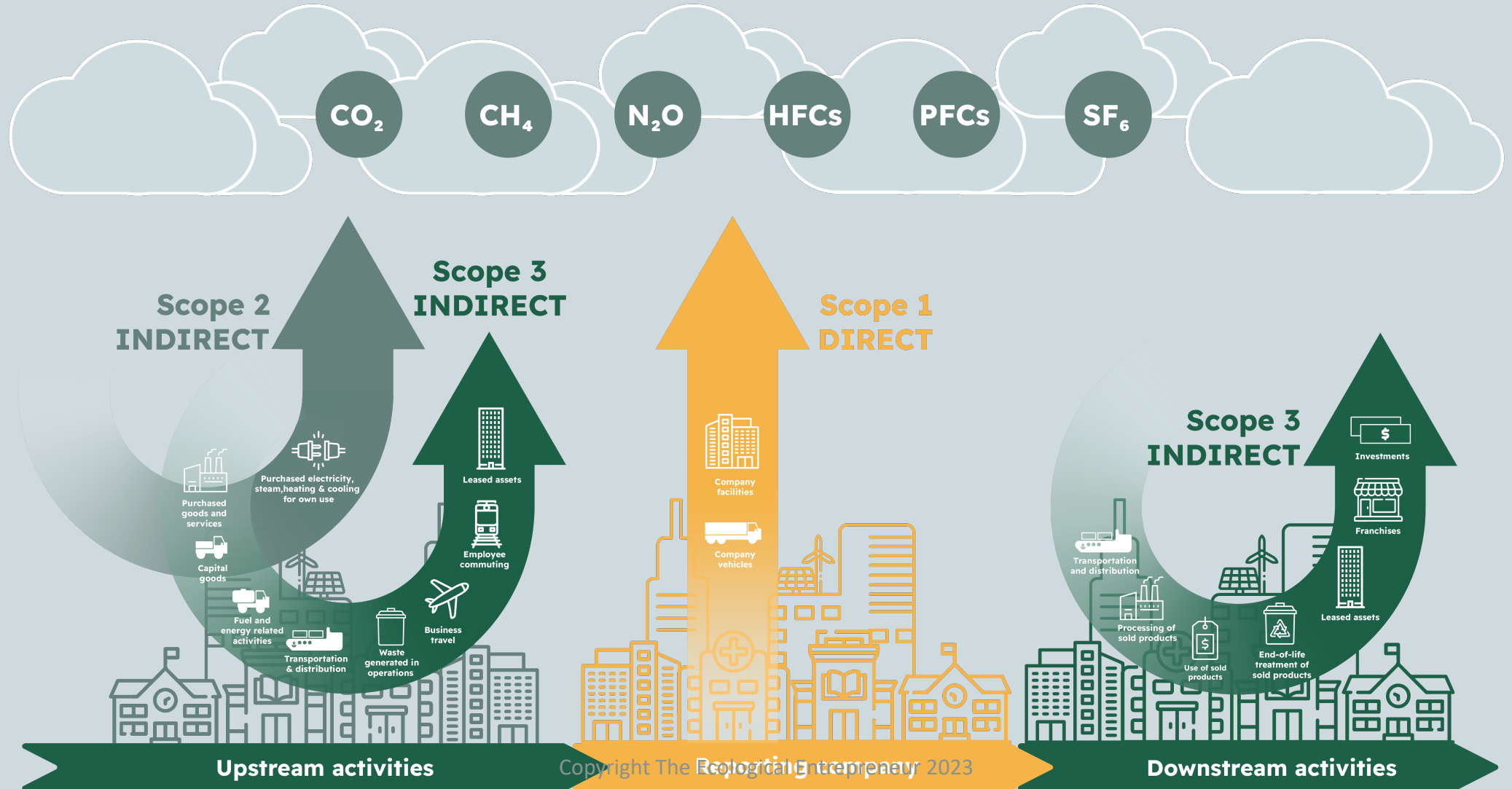
As this is a main topic in the strategy of the European Union, not disclosing anything on Climate Change is next to impossible. A very thorough and indepth analysis should be made to explain why climate change is not on your topic list.

The underlying target is to limit the global warming to 1,5°C, in line with the Paris Climate Agreement.

Three main topics are covered, being “climate change mitigation”, “climate change adaptation” and ‘transition risk’.

1. Climate Change Mitigation: disclosure requirements about the way the company curbs emissions in line with the Paris Climate Agreement
2. Climate Change Adaptation: the process of adjusting to the actual and expected climate change
3. Transition risks: the risks that come forth by adapting the undertaking based on climate change mitigation and adaptation.

Greenhouse Gas Protocol



E1 & the GHG Protocol

- In the ESRS E1 is referred to the GHG Protocol, which is used to define the way an undertaking should measure, and analyse their carbon emissions.
- The typical division in Scope 1-2-3 is also used by the ESRS.
- As the boundaries are crucial in a GHG Calculation, it is clear that a company must take into account the “operational control”. This means that where a company holds operational control over other companies, these are in scope of the analysis.

In the other courses we train you on how to conduct a GHG Emissions Analysis Scope 1 – 2 – 3 in line with the ESRS requirements.

E2 - Pollution

	Materiality Assessment?			Type of datapoints			Phase in		
	Irrespective of MA	Subject to MA	May	Narrative	Semi-Narrative	Numerical	Phase In Year 1	Phase In Year 2	Phase In Year 3
ESRS E-2	3	41	19	18	3	23	6	6	6

The Standard sets out Disclosure Requirements related to the following sustainability matters: pollution of air, water, soil, substances of concern, including substances of very high concern.

- **“Pollution of air”**
 - emissions into air (both indoor and outdoor), and prevention, control and reduction of such emissions.
- **“Pollution of water”**
 - emissions to water, and prevention, control and reduction of such emissions.
- **“Pollution of soil”**
 - emissions into soil and the prevention, control and reduction of such emissions.

With regard to “substances of concern”, this standard covers the undertaking’s production, use and/or distribution and commercialisation of substances of concern, including substances of very high concern

To analyse this, the LEAP methodology is suggested:

- Phase 1: locate where in own operations and value chain the interface with nature takes place
- Phase 2: evaluate dependencies and impacts
- Phase 3: assess risk and opportunities
- Phase 4: prepare and report results

E3 – Water & marine resources

ESRS	Materiality Assessment?			Type of datapoints			Phase in		
	Irrespective of MA	Subject to MA	May	Narrative	Semi-Narrative	Numerical	Phase In Year 1	Phase In Year 2	Phase In Year 3
ESRS E-3	3	24	18	18	2	7	3	3	3

How the company affects water and marine resources, positive and negative actual or potential impacts;

1. Actions taken, to prevent, mitigate or protect
2. Alignment or contribution with the European Green Deal’s for fresh air, clean water, healthy soil and biodiversity
3. Plans and capacity to adapt to the business model
4. The IRO’s based on the dependencies of water and marine resources

To analyse this, the LEAP methodology is suggested (see previous part)

E4 – Biodiversity

	Materiality Assessment?			Type of datapoints			Phase in		
	Irrespective of MA	Subject to MA	May	Narrative	Semi-Narrative	Numerical	Phase In Year 1	Phase In Year 2	Phase In Year 3
ESRS E-4	12	43	62	37	14	4	3	3	3

How the undertaking affects biodiversity and ecosystems, in terms of material positive and negative, actual and potential impacts, including the extent to which it contributes to the drivers of biodiversity and ecosystem loss and degradation;

- any actions taken, and the result of such actions, to prevent or mitigate material negative actual or potential impacts and to protect and restore biodiversity and ecosystems, and to address risks and opportunities;
- the plans and capacity of the undertaking to adapt its strategy and business model in line with:
 1. respecting planetary boundaries related to biosphere integrity and land-
 2. system change;
 3. the vision of the Kunming-Montreal Global Biodiversity Framework and its
 4. relevant goals and targets;
 5. relevant aspects of the EU Biodiversity Strategy for 2030⁷⁷;
 6. Directive 2009/147/EC of the European Parliament and of the Council and Council Directive 92/43/EEC (EU Birds and Habitats Directives)⁷⁸; and
 7. Directive 2008/56/EC of the European Parliament and of the Council (Marine Strategy Framework Directive)⁷⁹ ;
- the nature, type and extent of the undertaking’s material risks, dependencies and opportunities related to biodiversity and ecosystems, and how the undertaking manages them;
- the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking’s impacts and dependencies on biodiversity and ecosystems.

E5 – Resource use & circular economy

	Materiality Assessment?			Type of datapoints			Phase in		
	Irrespective of MA	Subject to MA	May	Narrative	Semi-Narrative	Numerical	Phase In Year 1	Phase In Year 2	Phase In Year 3
ESRS E-5	8	54	19	30	3	29	3	3	3

The objective of this Standard is to specify Disclosure Requirements which will enable users of the sustainability statement to understand:

- how the undertaking affects resource use, including resource efficiency, avoiding the depletion of resources and the sustainable sourcing and use of renewable resources (referred to in this Standard as “resource use and circular economy”) in terms of material positive and negative actual or potential impacts;
- any actions taken, and the result of such actions, to prevent or mitigate actual or potential negative impacts arising from resource use, including its measures to help decoupling its economic growth from the use of materials, and to address risks and opportunities;
- the plans and capacity of the undertaking to adapt its strategy and business model in line with circular economy principles including but not limited to minimising waste, maintaining the value of products, materials and other resources at their highest value and enhancing their efficient use in production and consumption;
- the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies, arising from resource use and circular economy, and how the undertaking manages them; and
- the financial effects on the undertaking over the short-, medium- and long-term of material risks and opportunities arising from the undertaking’s impacts and dependencies on resource use and circular economy.

E5 – Resource use & circular economy

	Materiality Assessment?			Type of datapoints			Phase in		
	Irrespective of MA	Subject to MA	May	Narrative	Semi-Narrative	Numerical	Phase In Year 1	Phase In Year 2	Phase In Year 3
ESRS E-2	8	54	19	30	3	29	3	3	3

This Standard sets out Disclosure Requirements related to “resource use” and “circular economy” and in particular on:

- resource inflows including the circularity of material resource inflows, considering renewable and non-renewable resources; and
- resource outflows including information on products and materials; and
- waste.

This standard builds on:

1. EU Circular Economy Action Plan,
2. Directive 2008/98/EC of the European Parliament and of the Council⁹⁰ (Waste Framework Directive)
3. EU industrial strategy

To evaluate the transition from business as usual, meaning an economy in which finite resources are extracted to make products that are used and then thrown away (“take-make-waste”), to a circular economic system, this Standard relies on the identification of the physical flows of resources, materials and products used and generated by the undertaking through Disclosure Requirement E5-4 Resource inflows and Disclosure Requirement E5-5 Resource outflows.

Overview of Disclosure Requirements

DR's Climate change E1

- DR E1-1 – Transition plan for climate change mitigation
- DR E1-2 – Policies related to change mitigation and adaptation
- DR E1-3 – Actions and resources in relation to climate change policies
- DR E1-4 – Targets related to climate change mitigation and adaptation
- DR E1-5 – Energy consumption and mix
- DR E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
- DR E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
- DR E1-8 – Internal carbon pricing
- DR E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

E2: Pollution DR's

- DR E2-1 – Policies related to pollution
- DR E2-2 – Actions and resources related to pollution
- DR E2-3 – Targets related to pollution
- DR E2-4 – Pollution of air, water and soil
- DR E2-5 – Substances of concern and substances of very high concern
- DR E2-5 – Anticipated financial effects from pollution-related IROs

E3: Water & marine sources DR's

- DR E3-1 – Policies related to water and marine resources
- DR E3-2 – Actions and resources related to water and marine resources
- DR E3-3 – Targets related to water and marine resources
- DR E3-4 – Water consumption
- DR E3-5 – Anticipated financial effects from water and marine resources-related IROs

E4: Biodiversity DR's

- DR E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model
- DR E4-2 – Policies related to biodiversity and ecosystems
- DR E4-3 – Actions and resources related to biodiversity and ecosystems
- DR E4-4 – Targets related to biodiversity and ecosystems
- DR E4-5 – Impact metrics related to biodiversity and ecosystems change
- DR E4-6 – Anticipated financial effects from biodiversity and ecosystem-related IROs

E5: Circular economy & resource use DR's

- DR E5-1 – Policies related to resource use and circular economy
- DR E5-2 – Actions and resources related to resource use and circular economy
- DR E5-3 – Targets related to resource use and circular economy
- DR E5-4 – Resource inflows
- DR E5-5 – Resource outflows
- DR E5-6 – Anticipated financial effects from material resource use and circular economy-related IROs

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