




Connectivity with financial statements according to ESRS

Three types of link identified

ESRS 1 (chapter 9.2) does **not** provide a **definition** but gives **general principles** for connecting or linking the sustainability statement to the financial statements with regard to **material information**, bearing in mind that the information used to describe existing links must be **clear and concise**.

	Related sustainable information	Examples	Information requirement
 Direct link (ESRS 1.124)	Monetary amounts or other quantitative data presented in the financial statements	<ul style="list-style-type: none"> Provision for environmental risks 	Reference to the relevant paragraph
 Indirect link (ESRS 1.125)	Aggregation of, or a part of, monetary amounts or quantitative data presented in the financial statements	<ul style="list-style-type: none"> Portion of sales exposed to significant physical or transitional risks Breakdown of the carrying value of the real estate assets by energy-efficiency classes 	Explanation of the link between these disclosures and reference to the line item and/or relevant paragraph of the financial statements - A reconciliation may be provided
 Other links (ESRS 1.126-128)	Links with the financial statements (but information that cannot be reconciled): <ul style="list-style-type: none"> monetary amounts or other quantitative data related to amounts/data presented in the financial statements qualitative information related to qualitative information presented in the financial statements 	<ul style="list-style-type: none"> Macroeconomic or business projections : <ul style="list-style-type: none"> used to develop metrics in the sustainability statement and are also relevant in estimating the recoverable amount of assets, the amount of liabilities or provisions in the financial statements 	Explanation of the consistency of significant data, assumptions, and qualitative information included and reference to the relevant line item or paragraph in the notes to the financial statements - Explanation of any inconsistencies

 Legend: ESRS standards may link a financial components (in **blue**) to the relevant information in the sustainability reporting (in **green**).

Current & anticipated financial effects

Current & anticipated effects (1/2)

On balance sheet

Fin effects	ESRS2	E1	E2
Balance sheet			
Assets & liabilities	Current effects of R&O (§48.d) SBM-3	Location of assets @physical risks (§66.c) ^{Topic} 04 E1-9	
	^{Topic} 16 Carrying amounts at risk of adj. within 1 year (§48.d)	Real estate by energy-efficiency classes (§67.c) ^{Topic} 19	
	Anticipated effect of R&O over SMLT (§48.e) +E3-5+E4-6+E5-6	Assets (before adaptation) @physical risks (acute/chronic) over SMLT ^{Topic} 04 Assets (before mitigation) @transition risks over SMLT: including stranded assets until 2030 and from 2030-2050 (§66.a §AR73.a) ^{Topic} 06 ^{Topic} 21	
Considering Strategy	Anticipated effect of Strategy over SMLT (§48.e) ^{Topic} 13	Assets addressed by adaptation @physical risks (§66.b) ^{Topic} 05 Assets addressed by mitigation @transition risks (§67.b) ^{Topic} 10	
	Anticipated effect of R&O considering strategy over SMLT (§48.e) +E3-5+E4-6+E5-6	Description of emission trading schemes (§AR79) ^{Topic} 37 Consistency of data & assumptions (carbon price, useful life of assets, estimates & provisions,...) (§AR78) 23 24 25 26	E2-6
	Funding (§48.e.ii) ^{Topic} 47 ^{Topic} 49	Liabilities that may have to be recognised over SMLT (§67.d) ^{Topic} 41	^{Topic} 30
	Investment/ disposal (§48.e.i) ^{Topic} 19 ^{Topic} 22	Explanation & quantification of investment & funding implied/Transition plan (§16.c) ^{Topic} 13 Transition plan: plans to manage GHG&Energy intensive assets and products (§16.d) ^{Topic} 13	E2-6 Provisions for environmental protection and remediation costs (§40.c) Capital expenditures incurred in the reporting period in conjunction with major incidents and deposits (§40.b)
		E1-1	

Current & anticipated effects (2/2)

On P&L and CFS

Fin effects	ESRS2	E1	E2
P&L			
	Topic 33 Topic 34 Current effects of R&O (§48.d)	SBM-3 +E3-5+E4-6+E5-6	
	Anticipated effect of R&O over SMLT (§48.e)	E1-9	
Revenue	Breakdown of revenue by ESRS sectors (§40.b) Topic 31	Revenue by business activities @physical risks over SMLT (§66.d) Potential market size or expected changes in revenue from low-carbon products & Sces / or adaptation solutions (§69.b §AR81)	Topic 07 E2-2
Other P&L	SBM-1	Margin erosion over SMLT (§AR76) Expected costs savings from mitigation & adaptation (§69.a §AR80) Topic 07	Topic 32 Investments in R&D (§AR14) Operating expenditures incurred in the reporting period in conjunction with major incidents and deposits. Including: (a) cost for eliminating and remediating the respective pollution of air, water and soil including environmental protection; (b) damage compensation costs including payment of fines and penalties imposed by regulators or government authorities. (§40.b §AR31)
Segment reporting	Revenue in fossil fuels related activities (§40.d) Reconciliation of ESRS sectors revenue with IFRS8 ones (§40.b) Topic 18	Revenue in fossil fuels related activities (§67.e) Nature of business activities @transition (if provided according to IFRS8) (§AR76)	E2-6 Revenue made with products and services that are or that contain substances of concern+ substances of very high concern (§40.a)
CFS	Current effects of R&O (§48.d) Anticipated effect of R&O over SMLT (§48.e)	SBM-3 +E3-5+E4-6+E5-6	

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2
SBM-3

In the sustainability statement

Current financial effects [ESRS 2 SBM-3 §48(d)]

The **current financial effects** of the undertaking's material **risks and opportunities** on its **financial position**, **financial performance** and **cash flows** and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the **carrying amounts of assets and liabilities** reported in the related financial statements;

Anticipated financial effects [ESRS 2 SBM-3 §48(e)]

The anticipated financial effects of the undertaking's material **risks and opportunities** on its **financial position**, **financial performance** and **cash flows** over the short-, medium- and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its **strategy to manage risks and opportunities**, taking into consideration:

- i. its **investment and disposal plans** (for example, **capital expenditure**, major **acquisitions** and **divestments**, **joint ventures**, **business transformation**, **innovation**, **new business areas** and **asset retirements**), including plans the undertaking is not contractually committed to; and
- ii. its planned sources of **funding** to implement its strategy.

In the financial statements

Balance sheet
Income statement
Cash flow statement
Capital expenditure (CapEx)
Investments and disposals
Financing

In the sustainability statement

Anticipated financial effects from material physical risks [ESRS E1-9 §66]

The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) shall include:

- 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;
- b) the proportion of **assets** at material **physical risk** addressed by the climate change adaptation actions;
- c) the **location** of significant **assets** at material **physical risk**; and
- 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.

Application requirements [ESRS E1-9 §AR71]

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.

In the financial statements

Assets [IAS 1.54(a)-(j)]

Assets by location [IFRS 8.33]

Revenue [IAS 1.82(a)]

In the sustainability statement

Application requirements [ESRS E1-9 §AR70]

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**. 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.
- b) All types of **assets** including **finance-lease / right-of-use assets** shall be considered when determining the **assets** at material **physical risk**.
- c) To contextualise this information, the undertaking shall:
 - i. disclose the location of its significant **assets** at material **physical risk**. Significant **assets** located 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**.
- 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**.

In the financial statements

Assets [IAS 1.54(a)-(j)]

In the sustainability statement

Transition risks [ESRS E1-9 §67]

- The monetary amount and proportion (percentage) of **assets** at material transition risk over the short-, medium- and long-term before considering climate mitigation actions;
- The proportion of **assets** at material transition risk addressed by the climate mitigation actions;
- A breakdown of the carrying value of the undertaking's **real estate assets** by energy-efficiency classes;
- liabilities** that may have to be recognised in financial statements over the short-, medium- and long-term; and
- 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.

In the financial statements

Assets [IAS 1.54(a)-(j)]
Impairment of assets (stranded assets)
Real estate assets [IAS 16.37(a)-(b)]
Assets by geographical area [IFRS 8.33]
Liabilities likely to be recognised
Revenue [IAS 1.82(a)]

Application requirements [ESRS E1-9 §AR73.a]

When disclosing the information on **assets** at material transition risk as required under paragraphs 67 (a) and (b):

- the undertaking shall at the very least include an estimate of the amount of potentially stranded **assets** (in monetary amounts and as a proportion/percentage) from the reporting year until 2030 and from 2030 to 2050. Stranded **assets** are understood as the active or firmly planned key **assets** of the undertaking with significant locked-in GHG emissions over their operating lifetime. Firmly planned key **assets** are those that the undertaking will most likely deploy within the next 5 years. The amount may be expressed as a range of **asset** values based on different climate and policy scenarios, including a scenario aligned with limiting climate change to 1.5°C.

In the sustainability statement

Application requirements [ESRS E1-9 §AR74.b]

When disclosing the information on potential liabilities from material transition risks required under paragraph 67(d): [...]

- b) undertakings subject to the EU ETS, may disclose the potential future liabilities that relate to their allocation plans for the period before and until 2030. The potential liability may be estimated on the basis of:
- i. the number of allowances held by the undertaking at the beginning of the reporting period;
 - 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
 - iv. the estimated yearly cost per tonne of CO₂ for which an allowance needs to be purchased; [...]

Application requirements [ESRS E1-9 §AR79]

For potential future effects on liabilities (as required by paragraph 67(d)), if applicable, the undertaking shall cross-reference the description of emission trading schemes in the financial statements.

In the sustainability statement

Application requirements [ESRS E1-9 §AR76] :

When preparing the information required under paragraph 67 (e), the undertaking may assess and disclose the share of **net revenue** from business activities at **transition risks**. This disclosure:

- 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.

In the sustainability statement

[ESRS E1-9 §AR77]

The reconciliation of the significant amount of **assets, liabilities** and net **revenue** (vulnerable to either material physical risks or transition risks) to the relevant line item or disclosure (e.g. in **segment reporting**) in the financial statements (as required by paragraph 68) may be presented by the undertaking as follows:

- a) as a **cross-reference to the related line item or disclosure in the financial statements** if these amounts are identifiable in the financial statements; or
- b) if these cannot be directly cross-referenced, as a **quantitative reconciliation of each to the relevant line item or disclosure** in the financial statement using the below tabular format:

	Amounts
Carrying amount of assets or liabilities or net revenue vulnerable to either material physical or transition risks	
Adjustment items	
Assets or liabilities or net revenue in the financial statements	



[ESRS E1-9 §AR78]

The undertaking shall ensure the consistency of **data and assumptions** to assess and report the **anticipated financial effects from material physical risks and transition risks** in the sustainability statement **with the corresponding data and assumptions used for the financial statements** (e.g., **carbon prices** used for assessing impairment of assets, **the useful life of assets**, **estimates** and **provisions**).

The undertaking shall explain the reasons for any inconsistencies (e.g., if the full financial implications of climate-related risks are still under assessment or are not deemed material in the financial statements).

In the sustainability statement

Transition risks [ESRS E1-9 §69]
69. For the disclosure of the potential to pursue climate-related opportunities required by paragraph 64 (c) the undertaking shall consider:
(a) its **expected cost savings** from climate change **mitigation** and **adaptation** actions; 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.

Application requirements [ESRS E1-9 §AR80-81] :
AR 80. When disclosing the information under paragraph 69 (a), the undertaking shall explain the nature of the **cost savings** (e.g., from reduced energy consumption), the time horizons and the methodology used, including the scope of the assessment, critical assumptions, and limitations, and whether and how scenario analysis was applied.
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 opportunities and, where possible, this should be linked to the disclosures on policies, targets and actions under Disclosure Requirements E1-2, E1-3 and E1-4.

In the financial statements

**Costs
revenue**

In the sustainability statement

Transition plan for climate change mitigation [ESRS E1-1 §14-16]

14. The undertaking shall disclose its transition plan for climate change mitigation [...]

16. The information required by paragraph 14 shall include: [...]

(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-intensive and energy-intensive **assets** and **products**;

Anticipated financial effects from material pollution-related R&O

ESRS E2
E2-6

In the sustainability statement

Anticipated financial effects due to material risks arising from pollution-related impacts and dependencies [ESRS E2-6 §39] :

The disclosure shall include:

- a) a quantification of the anticipated financial effects in monetary terms before considering pollution-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);
- b) a description of the effects considered, the related impacts and the time horizons in which they are likely to materialise; and
- c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.

Anticipated financial effects due to material risks arising from pollution-related impacts and dependencies [ESRS E2-6 §40] :

The information provided under paragraph 38(a) shall include:

- a) the share of **net revenue** made with products and services that are or that contain **substances of concern**, and the share of **net revenue** made with products and services that are or that contain **substances of very high concern**;
- b) the **operating and capital expenditures incurred** in the reporting period in conjunction with major **incidents and deposits**;
- c) the **provisions for environmental protection and remediation costs**, e.g., for rehabilitating contaminated sites, recultivating landfills, removal of environmental contamination at existing production or storage sites and similar measures.

In the financial statements

Revenue [IAS 1.82(a)]

OpEx

CapEx

Environmental provisions
[IAS 37]

In the sustainability statement

Anticipated financial effects due to material risks arising from pollution-related impacts and dependencies [ESRS E2-6 §41] :

The undertaking shall disclose any relevant contextual information including a description of material incidents and deposits whereby pollution had negative impacts on the environment and/or is expected to have negative effects on the undertaking's financial cash flows, financial position and financial performance with short-, medium- and long-term time horizons.

In the financial statements

Revenue [IAS 1.82(a)]
OpEx : including R&D costs
CapEx
Environmental provisions [IAS 37]

Anticipated financial effects due to material risks arising from pollution-related impacts and dependencies [ESRS E2-6 §AR31] :

AR 31. The operating and capital expenditures related to incidents and deposits may include for instance:

- (a) cost for eliminating and remediating the respective pollution of air, water and soil including environmental protection;
- (b) damage compensation costs including payment of fines and penalties imposed by regulators or government authorities.

Anticipated financial effects from material water and marine resources-related risks and opportunities

ESRS E3
E3-5

In the sustainability statement

Anticipated financial effects from material water and marine resources-related risks and opportunities [ESRS E3-5 §33]

The disclosure shall include:

- a) a quantification of the anticipated financial effects in monetary terms **before considering water and marine resources-related actions** or where not possible without undue cost or effort, qualitative information. For financial effects arising from **opportunities**, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);
- b) a description of the effects considered, the impacts and dependencies to which they relate, and the time horizons in which they are likely to materialise; and
- c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.

Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities

ESRS E4
E4-6

In the sustainability statement

Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities [ESRS E4-6 §45] :

The disclosure shall include:

- a) a quantification of the **anticipated financial effects** in monetary terms before considering biodiversity and ecosystems-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information). The quantification of the anticipated financial effects in monetary terms may be a single amount or a range;
- b) a description of the effects considered, the impacts and dependencies to which they relate and the time horizons in which they are likely to materialise; and
- c) the critical assumptions used to quantify the **anticipated financial effects** as well as the sources and the level of uncertainty of those assumptions.

Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities [ESRS E4-6 §AR39] :

The undertaking may include an assessment of its related products and services at risk over the short-, medium- and long-term, explaining how these are defined, how financial amounts are estimated, and which critical assumptions are made.

In the sustainability statement

Anticipated financial effects from resource use and circular economy-related IRO [ESRS E5-6 §43a] :

The disclosure shall include:

- a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);
- b) a description of the effects considered, the impacts and dependencies to which they relate and the time horizons in which they are likely to materialise;
- c) the critical assumptions used to quantify the anticipated financial effects, as well as the sources and level of uncertainty of those assumptions.

Anticipated financial effects from resource use and circular economy-related IRO [ESRS E5-6 §AR36] :

The quantification of the anticipated financial effects in monetary terms under paragraph 43(a) may be a range.

02

Other connections

Other connections

#ESRS DR		Anchor Point	IFRS
2	SBM-1	Breakdown of revenue by ESRS sectors	Revenue ^{Topic} 18
2	SBM-1	ESRS sectors /Business Model /Value Chain & IFRS8 segment reporting	IFRS8
2	SBM-1	Contribution of value-chain entities to the undertaking's performance and position	Financial statement positions
2	SBM-1	Revenue from specific activities	Revenue ^{Topic} 31
2	GOV-3	Integration of sustainability-related performance in incentive schemes	IFRS2 ^{Topic} 29
E1	E1-1	Plans for aligning activities with EU taxonomy	Revenue, CapEx, OpEx ^{Topic} 20
E1	E1-1	CapEx in fossil fuels related activities	CapEx ^{Topic} 19
E1	E1-3	CapEx and OpEx required to implement the actions taken or planned with Financial statements	CapEx, OpEx ^{Topic} 32
E1	E1-5	Energy intensity	Revenue
E1	E1-6	Carbon intensity	Revenue
E1	E1-7	Mitigation projects financed or intended to finance through purchase of carbon credits	Carbon credits ^{Topic} 40
E1	E1-8	Internal carbon pricing used for investment	CapEx, R&D, carbon funds ^{Topic} 14
E2	E2-2	OpEx R&D in sustainable alternatives to the use of substances of concern	R&D costs ^{Topic} 32
E3	E3-4	Water intensity	Revenue
E4	E4-3	Financing effects (direct and indirect costs) of biodiversity offsets	Biodiversity offsets
E4	E4-5	Number and area (in hectares) of sites owned, leased or managed in or near these protected areas or key biodiversity areas	Owned and leased Areas
S1	S1-17	Amount of fines, penalties, and compensation for damages as a result of the incidents and complaints	Charges in the P&L
S1	S1-17	Amount of fines, penalties, and compensation for damages as a result of the identified cases of severe human rights incidents	Charges in the P&L
G1	G1-4	Amount of fines for violation of anti-corruption and anti-bribery laws	Charges in the P&L
G1	G1-5	Financial and in-kind political contributions made directly and indirectly by the undertaking aggregated by country or geographical area where relevant, as well as type of recipient/beneficiary	Charges in the P&L

In the sustainability statement

Segment reporting [ESRS 2 SBM-1 §40.b] :

A breakdown of total revenue, as included in the financial statements, by significant ESRS sectors. Where the undertaking provides segment reporting as required by IFRS 8 Operating Segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information.

Application requirements [ESRS 2 SBM-1 §AR14] :

In preparing disclosures relating to its business model and value chain, the undertaking shall consider: [...] (c) the cost structure and revenue of its business segments, in line with IFRS 8 disclosure requirements.

Application requirements [ESRS 2 SBM-1 §AR15] :

may provide a high-level overview of the key features of upstream and/or downstream value chain entities indicating their relative contribution to the undertaking's performance and position and explaining how they contribute to the value creation of the undertaking.

Activities [ESRS 2 SBM-1 §40.d] :

A statement indicating, with the related revenues, that the undertaking is active in :

- i. the fossil fuel (coal, oil and gas) sector[...].
- ii. chemicals production [...].
- iii. controversial weapons [...]
- iv. cultivation and production of tobacco.

In the financial statements

Revenue [IAS 1.82(a)]
Segment reporting [IFRS 8]

In the sustainability statement

Integration of sustainability-related performance in incentive schemes [ESRS 2 GOV-3 §29] :

The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist:

- (a) a description of the key characteristics of the incentive schemes;
- (b) whether performance is being assessed against specific sustainability-related targets and/or impacts, and if so, which ones;
- (c) whether and how sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies;
- (d) the proportion of variable remuneration dependent on sustainability-related targets and/or impacts; and
- (e) the level in the undertaking at which the terms of incentive schemes are approved and updated.

In the financial statements

IFRS2

In the sustainability statement

Transition plan for climate change mitigation [ESRS E1-1 §14-16]

14. The undertaking shall disclose its transition plan for climate change mitigation [...]

16. The information required by paragraph 14 shall include: [...]

(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 2021/213936;

(f) if applicable, a disclosure of significant CapEx amounts invested during the reporting period related to coal, oil and gas-related economic activities;

Transition plan for climate change mitigation [ESRS E1-1 §AR4]

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).

In the sustainability statement

Actions and resources in relation to climate change policies [ESRS E1-3 §29.c]

29. In addition to ESRS 2 MDR-A, the undertaking shall: [...] (c) relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to:

- i. the relevant line items or notes in the **financial statements**;
- ii. the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178; and
- iii. if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.

In the sustainability statement

Energy intensity based on net revenue [ESRS E1-5 §40-43]

40. The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors. [...]

43. The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amount from activities in high climate impact sectors (the denominator in the calculation of the energy intensity required by paragraph 40).

Application requirements [ESRS E1-5 §AR38.b]

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:

- 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.

Net revenue from activities in high climate impact sectors used to calculate energy intensity	
Net revenue (other)	
Total net revenue (Financial statements)	

In the sustainability statement

GHG Intensity based on net revenue [ESRS E1-6 §53]

53. The undertaking shall disclose its GHG emissions intensity (total GHG emissions per net revenue).

Application requirements [ESRS E1-6 §AR55]

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:

- 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 statements, by a quantitative reconciliation using the below tabular format.

Net revenue used to calculate GHG intensity	
Net revenue (other)	
Total net revenue (in financial statements)	

In the sustainability statement

GHG removals and GHG mitigation projects financed through carbon credits [ESRS E1-7 §56]

56. The undertaking shall disclose:

- (a) GHG removals and storage in metric tonnes of CO₂eq 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**.

Internal carbon pricing [ESRS E1-8 §62-63]

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.

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**;

In the sustainability statement

Actions and resources related to pollution [ESRS E2-2 §AR14]

AR 14. When considering resources, examples of operational expenditures could be investments in research and development to innovate and develop safe and sustainable alternatives to the use of substances of concern or to decrease emissions in a production process.

In the financial statements

OpEx : including R&D costs

In the sustainability statement

Water intensity [ESRS E3-4 §29]
The undertaking shall provide information on its water intensity: total **water consumption** in its own operations in m3 per million EUR **net revenue**.

In the sustainability statement

Actions and resources related to biodiversity and ecosystems [ESRS E4-3 §28.b.ii]

the undertaking :[...] (b) shall disclose whether it used biodiversity offsets in its action plans. If the actions contain biodiversity offsets, the undertaking shall include the following information:[...]

ii. the **financing effects (direct and indirect costs)** of **biodiversity offsets** in monetary terms; [...]

Impact metrics related to biodiversity and ecosystems change [ESRS E4-5 §35]

If the undertaking identified sites located in or near biodiversity-sensitive areas that it is negatively affecting (see paragraph 19(a)), the undertaking shall disclose the number and area (in hectares) of sites owned, **leased** or managed in or near these protected areas or key **biodiversity areas**.

In the sustainability statement

Incidents, complaints and severe human rights impacts [ESRS S1-17 §103c]

The undertaking shall disclose: [...]

- c) the total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements; [...]

Incidents, complaints and severe human rights Impacts [ESRS S1-17 §104b] :

The undertaking shall disclose the following information regarding identified cases of severe human rights incidents (e.g., forced labour, human trafficking or child labour): [...]

- b) the total amount of fines, penalties and compensation for damages for the incidents described in (a) above, and a reconciliation of the monetary amounts disclosed in the most relevant amount in the financial statements.

In the sustainability statement

Incidents of corruption or bribery [ESRS G1-4 §24a]

The undertaking shall disclose:

- a) the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws; [...]

Political influence and lobbying activities [ESRS G1-5 §29b]

The disclosure required by paragraph 27 shall include:[...]

- b) for financial or in-kind political contributions:
 - i. the total monetary value of financial and in-kind political contributions made directly and indirectly by the undertaking aggregated by country or geographical area where relevant, as well as type of recipient/beneficiary; and
 - ii. where appropriate, how the monetary value of in-kind contributions is estimated.

Political influence and lobbying activities [ESRS G1-5 §AR9]

For purposes of this Standard ‘political contribution’ means financial or in-kind support provided directly to political parties, their elected representatives or persons seeking political office. Financial contributions can include donations, loans, sponsorships, advance payments for services, or the purchase of tickets for fundraising events and other similar practices. In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, provision of board membership, employment or consultancy work for elected politicians or candidates for office.

Political influence and lobbying activities [ESRS G1-5 §AR12]

The undertaking may provide the following information on its financial or in-kind contributions with regard to its lobbying expenses:

- a) the total monetary amount of such internal and external expenses; and
- b) the total amount paid for membership to lobbying associations.

Financial statements

Illustrations of topics from Financial Statements (1/2)

Chapter I. Climate issues

Presentation of climate issues

- Topic 1 Presentation in the notes to the financial statements
- Topic 2 Reference in a Key Audit Matter

Climate change risks and opportunities

- Topic 3 Climate risks and opportunities disclosed in the notes to financial statements
- Topic 04 Physical risks
- Topic 05 The challenge of adaptation
- Topic 06 Transition risks
- Topic 07 Opportunities
- Topic 8 Financial risks arising from climate issues

Climate change commitments

- Topic 9 ESG commitments
- Topic 10 Commitment to carbon neutrality
- Topic 11 Other commitments to reduce carbon footprint
- Topic 12 Other ESG commitments

Strategy implemented

- Topic 13 Measures planned to cover the risks identified and meet the commitments made
- Topic 14 Governance and internal carbon pricing

Assessing climate issues and materiality

- Topic 15 Analysis of climate issues to determine whether they are material to the financial statements
- Topic 16 Materiality assessment

Chapter II. Accounting impact of climate issues

Non-financial assets (excluding impairment)

- Topic 17 Overview of the impact on non-financial assets
- Topic 18 Presentation of segment information
- Topic 19 Investments and investment commitments
- Topic 20 Connectivity with the European Taxonomy
- Topic 21 Useful life of fixed assets
- Topic 22 Discontinued activities and disposal of assets

Non-financial assets (IAS36 impairment)

- Topic 23 Modelling climate issues in the recoverable amount
- Topic 24 Assumptions specific to the market and the business model
- Topic 25 Carbon price assumptions
- Topic 26 Assumptions for decommissioning and site restoration costs
- Topic 27 Other ways of modelling uncertainty in testing
- Topic 28 Sensitivity analysis

ESG objectives included in share-based compensation criteria

- Topic 29 ESG objectives in share-based remuneration

Other effects of climate change on the accounts

- Topic 30 Environmental liabilities and contingent liabilities

Other effects of climate change on the accounts

- Topic 31 Revenue
- Topic 32 Research and development costs
- Topic 33 Other expenses
- Topic 34 Taxes and subsidies
- Topic 35 Issues specific to the banking sector
- Topic 36 Issues specific to the insurance business