Revised ESRS

What do they mean in practice?

8 September 2026

Agenda

1

Implementation of CSRD and ESRS:

Current status

Three key regulatory steps shaping sustainability reporting

The Omnibus I Directive, the revised ESRS and the new voluntary reporting standard together reshape the framework for which companies must report, and how.

EUROPEAN COMMISSION

Brussels, 26.2.2025
COM(2025) 81 final

2025/0045 (COD)

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements

ERHVERVSSTYRELSEN

Lovforslag om forenkling af reglerne for bæredygtighedsrapportering sendt i høring
02.07.2026

Omnibus I Directive and Danish implementation: Establishes a new CSRD scope and forms the basis for a proposal to repeal Danish Financial Statements Act (ÅRL) §99b

EUROPEAN COMMISSION

Brussels, 3.7.2026
C(2026) 5010 final

COMMISSION DELEGATED REGULATION (EU) …/...

of 3.7.2026

amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain sustainability reporting standards

{SWD(2026) 500 final}

(Text with EEA relevance)

Revised ESRS (adopted 3 July 2026): Simplified standards with significantly fewer data points.

EUROPEAN COMMISSION

Brussels, 3.7.2026
C(2026) 5011 final

COMMISSION DELEGATED REGULATION (EU) …/...

of 3.7.2026

supplementing Directive 2013/34/EU of the European Parliament and of the Council by establishing sustainability reporting standards for voluntary use by undertakings protected by the value chain cap

{SWD(2026) 500 final}

(Text with EEA relevance)

Voluntary Reporting Standard (adopted 3 July 2026): A voluntary, lighter standard for companies outside the CSRD scope. Determining a value chain cap

Omnibus I narrows CSRD scope, while Danish implementation in ÅRL remains pending

The new CSRD scope is adopted at EU level and already reflected in Danish transitional rules for FY2025-26. Permanent implementation from FY2027 — including removal of the CSR statement from FY2026 — still requires adoption of the Danish bill.

Step 1: Omnibus I Directive – adopted

- **EU Omnibus I Directive adopted:** Directive (EU) 2026/470 adopted 24 February 2026.
- **Determines EU CSRD scope:** >1,000 employees **and** >EUR 450m net revenue.
- **Danish transitional relief in force**: Effective **26 February 2026,** companies below the new CSRD thresholds are exempted for FY2025–26.

Step 2: Danish implementation – pending

- **Proposed amendments to the Danish Financial Statement Act (ÅRL):** Published for consultation on 2 July 2026.
- **Implementation of CSRD:** Implements CSRD thresholds in **ÅRL**: >1,000 employees **and** >DKK 3,530m net revenue over two financial years.
- **Exemption for 'Financial Holding Undertakings'.** Bill proposes an exemption from preparing CSRD reporting for "Financial Holding undertakings".
- **Removal of ÅRL §99b:** Bill proposes to remove Danish Financial Statement Act (ÅRL) §99b on CSR statement already for FY2026.
- **Expected entry into force:** 1 January 2027.

ESRS (2026) adoption timeline: from Omnibus to entry into force

Key regulatory steps for the revised ESRS delegated act

Feb 2025

European Commission's (EC) Omnibus simplification package

- Aimed to reduce the reporting burden while keeping useful sustainability disclosures
- Trigger for revision of ESRS (2023)

March–Dec 2025

EFRAG technical advice

EFRAG develops technical advice for the revision of ESRS (2023)

May–June 2026

EC feedback on draft delegated act

Consultation on draft delegated act for revised ESRS ('ESRS 2026')

3 July 2026

Adoption

EC adopts the ESRS (2026) delegated act

Next

Scrutiny and entry into force

- Scrutiny period of 2 months (extendable to 4 months)
- Entry into force expected by the end of 2026

⚠ **No transposition into local Member State law required for the Delegated Act on ESRS**

2

First time application of ESRS (2026)

First time application of ESRS (2026)

Mandatory application starting from FY 2027

WAVE 1 – already reporting

Entities/Groups already subject to CSRD before scope revision due to Omnibus

Member States may exempt Wave 1 below the new thresholds for FY 2026; starting from FY 2027 the new thresholds apply

- **FY 2026: three options (see next slide)**
- **FY 2027: apply ESRS (2026)**

WAVE 2 – new Omnibus scope

EU entities/groups and listed non-EU entities/groups meeting the new thresholds: >1,000 employees and >€450m net turnover

This includes Wave 1 entities/groups meeting the new thresholds

- **Apply ESRS (2026) from first reporting year**
- **Reporting starts FY 2027**

Article 40a entities – non-EU reporting

Non-EU entities if they have both of the following:

- Consolidated turnover >€450m in the EU
- A subsidiary or a branch in the EU with turnover >€200m

- **May elect proposed ESRS-40a standard* for non-EU entities or ESRS (2026)**
- **Reporting starts FY 2028**

*Not yet adopted. EFRAG launched draft ESRS 40a-standard on 23 July 2026, now under public consultation.

Wave 1 has three options for FY 2026. Starting from FY 2027, ESRS (2023) are no longer applicable.

Entities have three options for ESRS application in FY 2026

Transitional provisions offer three regulatory options for FY beginning between 1 Jan 2026 and 31 Dec 2026.

ESRS (2023)	ESRS (2026)	ESRS (2023) + reliefs “mixed approach”
ESRS delegated act (2023) as amended by quick fix	ESRS delegated act (2026)	ESRS delegated act (2023) as amended by quick fix **+ selected reliefs from ESRS (2026)**

Entities must clearly state in their sustainability statement which option they apply for FY 2026.

Applying the ‘mixed approach’

For FY 2026 only

ESRS (2023)*

+

Selected reliefs from ESRS (2026)

- **Top-down approach** for the double materiality assessment (DMA)
- Use of reasonable and supportable information available without **undue cost or effort**, and **limitation on data collection from the value chain (VC)**, when performing the DMA
- Delay recognition of **acquisitions** until the start of the following year and reflect **disposals** from the beginning of the year in which they occur
- **Exclude activities from metrics** if they are not significant drivers of the material impact, risk or opportunity the metric purports to represent
- Report **metrics for only an objectively defined part** of the entity’s value chain
- **Exclude joint operations** over which the entity does not have operational control from environmental metrics (except for ESRS E1 metrics)
- Present **Taxonomy disclosures** in a separate appendix
- Include an **executive summary** in the sustainability statement

* as amended by quick fix

3

From ESRS (2023) to ESRS (2026):

Key Changes

Overview: ESRS (2023) vs. ESRS (2026)

1

What has not changed?

- Fundamental concepts
  (12 standards, reporting pillars, double materiality)
- Reporting structure
  (GOV, SBM, IRO, metrics/ targets)

2

What has changed?

- Standards have reduced in size
  (60% fewer mandatory datapoints)
- Streamlined structure of the standards
  (integrated ARs, removal of ESRS 2 from topical standards)

3

What is new?

- Fair presentation is explicit
  (focus on decision-useful information)
- Targeted measures to reduce reporting burden
  (Mandatory tables & voluntary datapoints are removed)

4

What is still challenging?

- Core measurement & judgement workload remains substantial
  (materiality-driven judgements, “undue cost or effort”)

3.1

From ESRS (2023) to ESRS (2026):

Key Changes to ESRS 1

ESRS 1 (2026) – overview of key changes

Introduction of amendments aimed at simplifying reporting, reducing complexity and increasing proportionality

Fair presentation

Explicit inclusion of this concept, which requires relevant information about material IROs and their faithful representation.

DMA simplification

Streamlined and clarified methodology to reduce complexity.

Reliefs & “undue cost or effort”

New reliefs and provisions to increase proportionality.

Transitional provisions & phase-ins

Extended reliefs to ease the entry into reporting.

Fair presentation

The objective of the sustainability statement, taken as whole, is to present fairly all the undertaking's material sustainability-related impacts, risks and opportunities and how the undertaking manages them. (ESRS (2026) 1, para. 3)

Holistic application	Fair presentation to be assessed for the sustainability statement **taken as a whole**, and not for individual disclosures in isolation.
Relevance and qualitative characteristics	Fair presentation requires **relevant** information about material IROs and their **faithful representation** (i.e. complete, neutral, and accurate) and information that is **comparable, verifiable and understandable**.
Entity-specific information	An entity shall disclose **additional entity-specific information**, when applying the ESRS is not sufficient to ensure fair presentation.

Applying the **reliefs** in ESRS "is **not detrimental to fair presentation**" provided that the entity transparently **explains the consequences** on the reported information and the **resulting limitations** (ESRS 1 (2026) AR 6).

DMA simplifications and clarifications

More flexibility in how the DMA is performed, with greater reliance on judgement

Options to simplify the DMA

- Focus IRO-assessment where IROs are **likely to arise** based on strategy, business model etc.
- **Flexibility** in the evaluation of **time horizons** and **severity**
- **Relief for acquisitions** until the start of the following financial year **and disposals** from the beginning of the financial year
- **Top-down approach** introduces the option to assess materiality at (sub-)topic level rather than individual IRO level

New guidance

- Clarifies how mitigation, prevention and remediation affect **negative impacts (gross/net)**
- Additional guidance on assessing **positive impacts**

DMA updates

ESRS 1 (2026) chapter 3

Top-down approach step-by-step

1) **Strategy and business model analysis:** Analyse strategy, business model, sectors, geographies & value chain
2) **Conclusion at topic level:** Materiality may be concluded at topic/sub-topic level for combined IROs
3) **Granularity where needed:** Assess individual IROs where greater granularity could change the conclusion

Practical implication

- **Individual IROs** remain the **basis for reporting.**
- Applying the ‘top-down approach’ doesn’t exempt the entity from **determining and disclosing its material IROs in accordance with ESRS 2 (2026) IRO-2**.

Materiality of information

“Shall disclose” indicates the information is prescribed – subject to materiality of information.

Applies to all DRs	Materiality of information **applies as a general filter to all information** – also DRs in ESRS 2 and all topical requirements for PATs, metrics, etc.
Decision – useful information	Information is material when **omitting, misstating or obscuring** that information could reasonably be expected to influence decisions of users.
Users of general-purpose reports	General-purpose reports including the sustainability statement are addressed to users with reasonable knowledge and groups of users' needs – not the need of each individual user.
ESRS 2	The DRs in ESRS 2 are fundamental in nature and expected to be material information for all entities.

Reasonable and supportable information available without ‘**undue cost or effort**’

Use of all reasonable and supportable information that is available at the reporting date without undue cost or effort.
(Concept introduced by ESRS 1 (2026) para. 93)

Where it applies	The concept applies to identifying material IROs, determining the value-chain scope, extending the information to include value chain information, preparing information on metrics, reporting on current and anticipated financial effects.
Undue cost or effort	Criteria for assessing ‘undue cost or effort’ include size, resources, technical readiness in relation to the scale and complexity of the entity’s value chain and the availability of tools to access and share information.
Not an omission relief	This is a concept, **not a relief to omit material information**. If significant limitations in the reported information arise, the entity must disclose this fact.

Availability of information is expected to improve over time. A reassessment for each reporting period is required.

Reliefs for metrics

Specific metric reliefs are introduced to reduce the reporting burden and address data quality concerns

Exclusion of activities from metrics

- Activities may be excluded where they are **not a significant driver of the IRO** and exclusion does **not impair relevance or faithful representation**.

ESRS 1 (2026) para. 90

Partial reporting scope

- Metrics may cover an **objectively defined part** of operations or the value chain where reliable data is unavailable.
- **Does not apply to GHG emissions (E1-8).**
- Coverage and data quality should **improve over time.**

ESRS 1 (2026) para. 91

Joint operations without operational control

- Joint operations without operational control may be excluded from **E2–E5 environmental metrics**.
- Coverage and data quality should **improve over time.**

ESRS 1 (2026) para. 92

When reliefs are used, the entity discloses the fact, relevant information to understand resulting scope limitations and actions taken to increase coverage and quality, if required.

Reporting boundaries – new reliefs and provisions

ESRS (2026) retain that the reporting entity for the purposes of the sustainability statement is the same as the reporting entity forthe related financial statements. Further, ESRS (2026) contains new reliefs and provisions for the treatment of the following:

Provision for leased assets

Use-related impacts

- The **lessee** uses the asset and reports the impacts connected with the use in its **own operations**
- The **lessor** provides the right to use the asset and reports the impacts connected with the use as part of its downstream **value chain**

Other impacts, risks and opportunities (not connected with the use of the asset) depends on the lease arrangement.

Relief for acquisitions and disposals

- Allows **delay of recognition of acquisitions** until the start of the following financial year, and reflect **disposals from the beginning of the financial year** in which they occur
- Relief applies to **DMA and reporting**, but any significant event that affected the subsidiary during the reporting period and how it influences the group's IROs to be disclosed

Other reliefs and provisions

ESRS (2026) also introduces:

- Relief for **non-material subsidiaries**
- Provisions for **long-term employee benefit funds**
- Provisions for **entities managing investments** subject to fiduciary duty (e.g. asset managers)
- Provisions for **Joint Operations**

Sustainability statement structure – more flexibility

Changes to the structure of the sustainability statement to support ‘telling the story’

The statement is required to be presented in a dedicated section of the management report, structured in four parts, ensuring accessibility & understanding.

ESRS 1 (2026) paras. 103-105

Options in ESRS 1 (2026)

- **Alternative structure to ‘General, Environment, Social, Governance’ is permissible if a ‘reasoned explanation’ is provided**
- **Executive summary including key messages about material IROs and their management is permitted**
- **Appendices are permitted, e.g. to present Taxonomy disclosures or content indices**
- **Internal references and cross-referencing including incorporation by reference remain applicable**

Phase-ins under revised ESRS

The revised ESRS retain targeted phase-ins and reporting reliefs to support implementation, with availability depending on when CSRD reporting becomes mandatory.

Wave 1 entities – *those already reporting*

Examples:

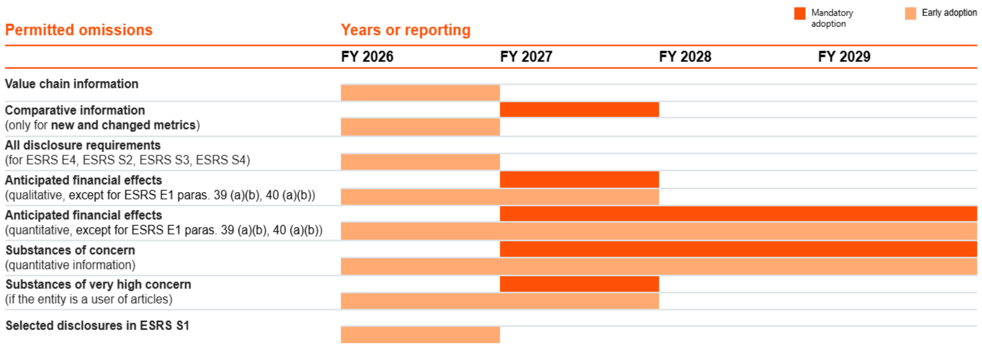
- Comparative information for new and changed metrics
- AFE → Staggered phase-in
- Previous transitional provisions in ESRS (2023) applies in FY2026

Other entities – *starting to report from FY2027 onwards*

Examples:

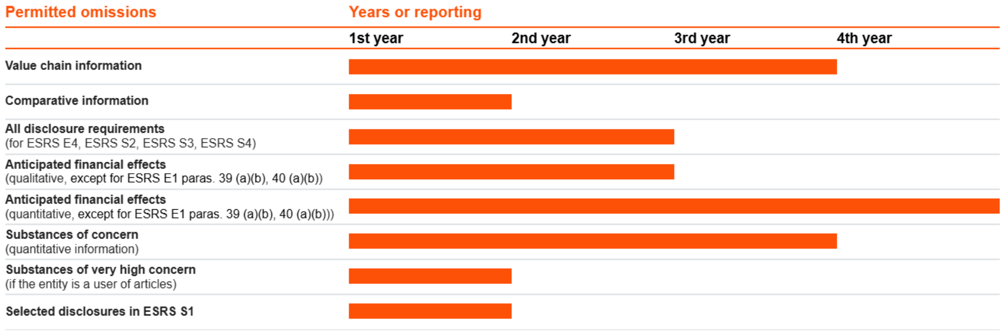
- Value chain information → first 3 years of reporting (if the information cannot be obtained)
- S2, S3, S4, E4 → First 2 reporting years
- AFE → Staggered phase-in

Transitional provisions - overview of those available to 'wave one'



The reliefs shown reflect ESRS 1 (2026) para. 125 ('wave one' entities exceeding EUR 450 m net turnover and 1,000 employees).
Small 'wave one' entities may additionally omit all DRs of all topical ESRS (E1–E5, S1–S4, G1) for financial years prior to 2027 under para. 126.

Transitional provisions - overview of those available to 'other undertakings'



For details, please refer to the appendices to this presentation

3.2

From ESRS (2023) to ESRS (2026):

Key Changes to ESRS 2

ESRS 2 – Simplified and consolidated, with anticipated financial effects (AFE) remaining in scope of SBM-3

ESRS 2 is streamlined and reorganised, while the core general disclosures on governance, strategy, material IROs and financial effects remain.

What is simplified	• General disclosures are **simplified, consolidated and relocated** (reduced duplication across BP, GOV, SBM and IRO) • Material IROs and material information are brought together in IRO-2
AFE	• **Qualitative and quantitative** information about AFE is retained for material risks and opportunities • AFE disclosures are removed from topical standards, **except ESRS E1 (2026)** • Only **quantitative information may be omitted** under defined conditions (if effects are not separable, measurement uncertainty is high or entity lacks skills, capabilities, resources) – qualitative information remains required
GDR	• The Minimum Disclosure Requirements (MDRs) have been renamed General Disclosure Requirements (GDRs) in ESRS 2, with all topical standards now reduced to referencing these GDRs for policies, actions, and targets (PATs).

AFE: If quantitative information cannot be provided, the entity needs to explain why and (still) provide qualitative information.

3.3

From ESRS (2023) to ESRS (2026):

Changes to topical standards

Structural changes across topical standards

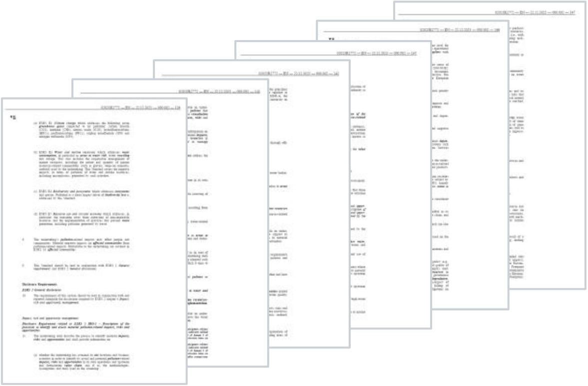
The structure has been streamlined to reduce complexity

All topical standards

- All **ESRS 2**-related disclosure requirements (GOV-1, GOV-3, SBM-2, SBM-3, IRO-1) **removed** from topical standards
- Most **topic-specific datapoints** for policies, actions and targets (PAT) **deleted**
- **Note –** Removal of DR from topical standards **does not automatically** result in the removal of the requirements to disclose under ESRS 2

Example E2 Pollution

ESRS (2023) E2:
IRO-1 and PAT-disclosures added up to six pages



ESRS (2026) E2:
only three paragraphs

Impact, risk and opportunity management

Disclosure Requirement E2-1 – *Policies related to pollution*

11. The undertaking shall disclose its ***pollution***-related ***policies*** in accordance with the provisions of ESRS 2 GDR-P.

Disclosure Requirement E2-2 – *Actions and resources related to pollution*

12. The undertaking shall disclose its key ***pollution***-related ***actions*** and resources allocated to the implementation of those actions in accordance with the provisions of ESRS 2 GDR-A.

Metrics and targets

Disclosure Requirement E2-3 – *Targets related to pollution*

13. The undertaking shall disclose its ***pollution***-related ***targets*** in accordance with the provisions of ESRS 2 GDR-T.

- IRO-1 removed
- LEAP-approach removed
- PAT datapoints limited to GDR

ESRS E1 to E5 (2026) more focused disclosures with greater flexibility and judgement

E1 Climate change

- **E1-1 Transition plan**
  Sharpened through defined key features, including targets, investments and decarbonisation levers

- **E1-6 Targets**
  Core requirements retained, with relief for financial institutions' intensity targets introduced and greater flexibility in base and target year selection

- **E1-8 GHG emissions**
  Choice of organisational boundary for GHG emissions: financial control, operational control or equity share*

* Subject to specified ESRS 1 provisions.

Transition plans sharpened, while targets and GHG reporting gain flexibility

E2–E4 Pollution, water & biodiversity

- **E2 Pollution**
  E2-4 emissions based on management assessment rather than fixed thresholds, scope aligned to financial control only, microplastics limited to primary microplastics, SoC/SVHC differentiated by entity role and activities

- **E3 Water**
  Marine resources removed and redistributed across E2, E4 and E5. Water withdrawal and discharge become mandatory

- **E4 Biodiversity**
  Operational control references removed, metrics reduced, disclosures streamlined, transition plan reporting only where publicly available

Metrics streamlined and refocused on the most decision-useful information

E5 Circular economy

- **E5-4 Resource inflows**
  Metrics refocused on key materials, determined through managerial assessment

- **E5-5 Resource outflows**
  Metrics refocused on key products, determined through managerial assessment. New waste category introduced for waste where the disposal method is unknown

E5 narrows scope to key materials and products, increasing managerial judgement

ESRS S1 to S4 (2026) retains most metrics but adjusts definitions, calculation guidance and consistency changes

S1 Own workforce

- **S1-9 Adequate wage**
  In EU, minimum wage is expected to equal adequate wage (Minimum Wage Directive). Outside of EU, new benchmark set through International Labour Organisation (ILO)-based living wage

- **S1-13 Health & Safety**
  Fatalities removed for non-employees and excluded from definition of days lost. More flexibility on work-related accident definitions (e.g. use of national definition)

- **S1-16 Incidents**
  Reduced scope of incidents of discrimination and other human rights: ‘substantiated and verified’.

Overall metric architecture is preserved with most metric datapoints retained in S1-5 to S1-16 (previously S1-6 to S1-17)

S2-S4 - Workers in the Value Chain, Affected Communities, Consumers and End-users

- **Due diligence**
  Wording and structure aligns better with the steps of the due diligence process in CSDDD, specific references to CSDDD instead of generic due diligence frameworks.

- **Incidents**
  Reduced incidents scope – in line with ESRS S1 (2026) changes, the definition for reportable human rights incidents has been narrowed.

- **No metrics**
  ESRS (2026) has not added disclosure requirements for metrics for S2–S4. Entities need to address the gap left by the absence of prescribed metrics.

Metrics removed entirely for S2-S4

ESRS G1 (2026) restructured to reflect PATM architecture

G1 has been restructured…

Follows the PATM architecture	Group six DRs under “Impact, risk and opportunity management”	… and “Metrics and targets”

…and some content has changed

G1-1 Policies – corruption and bribery

- Definition of “at-risk functions” expanded
- Reassessment may be required

G1-6 Payment practices

- “Average time to pay an invoice” removed
- SME-protection objective made explicit

4

Your next steps

Revised ESRS: Two implementation paths towards FY2026/FY2027 reporting

Practical actions for Wave 1 and Wave 2 companies

WAVE 1

Existing CSRD reporters
Adapt existing reporting to the revised ESRS for FY2026 or 2027

1. **1. Decide on reporting standard to apply for FY2026**
2. **2. Revisit DMA**
3. **3.a: *If mixed approach:* Identify relevant reliefs to apply**
4. **3.b *If ESRS (2026):* Bridge material topics, DR and DP to ESRS (2026)***

WAVE 2

First-time CSRD reporters
Build the CSRD reporting process from the ground for FY2027

1. **1. Conduct DMA**
2. **2. Identify DR and DP to report on**
3. **3. Conduct gap assessment of current reporting compared to ESRS (2026)**
4. **4. Develop ESG accounting manuals incl. determination of judgements etc.**
5. **5. Collect data**
6. **6. Prepare reporting & assurance**

*Note: On 28 August 2026, EFRAG published its draft revised ESRS datapoint list, including a 2023 ESRS mapping.

5

Q&A

Upcoming sustainability webinars

22 OCT
2026 · 09:00–10:00 AM

Supply chain resilience

Navigating sustainability requirements

24 NOV
2026 · 09:00–10:00 AM

Extended Producer Responsibility (EPR)

Changes and compliance

16 DEC
2026 · 09:00–10:00 AM

PPWR

What's next for your business?

Thank you for your attendance

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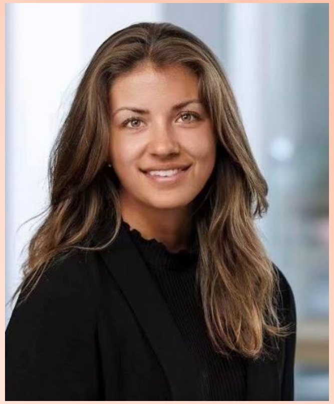

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Appendices

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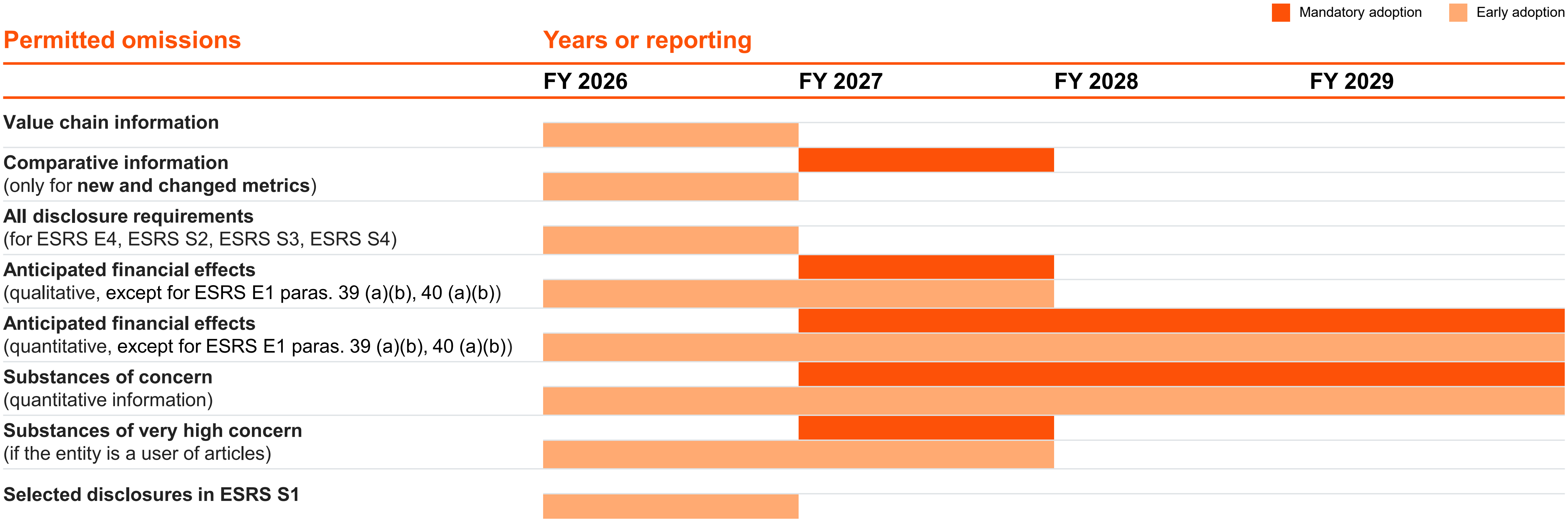

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