



CSRD

Guidebook

For preparers of the
sustainability statement

High-level illustrative overviews of the
sustainability statement structure



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CSRD guidebook for preparers of the sustainability statement

The Corporate Sustainability Reporting Directive (CSRD), complemented by the mandatory European Sustainability Reporting Standards (ESRS), entails significant changes to current corporate reporting. Notably, it requires the inclusion of a dedicated sustainability statement in the management report.

This guidebook has been prepared to provide information about the required structure and content of the sustainability statement.

The guidebook is targeted non-financial companies in scope of the Norwegian Accounting Act and is intended for use by preparers of the sustainability statement seeking inspiration on how to structure the sustainability statement. It requires familiarity with key concepts of sustainability reporting and ESRS.

The phase-in of CSRD over a three-year period will also apply in the Norwegian legislation, where large public interest companies must include a sustainability statement for the first time for the financial year 2024.

More guidance on which companies are in scope and when, as well as how to implement CSRD reporting requirements can be found on PwC Norway's [website](#).

The guidebook is structured in three parts. The first part explains how to read the guidebook and briefly introduces key concepts. The second part provides a high-level illustrative overview of how to structure a sustainability statement, illustrative structures for certain ESRS and high-level content overviews of certain disclosure requirements. The final part consists of appendices with useful references.

Good luck on the sustainability reporting journey!



Contents

Part 1: Introduction and context

How to use this guidebook	4
Setting the scene – key concepts	5

Part 2: The sustainability statement

Introduction to part 2	9
High-level illustrative overview of the sustainability statement structure	10

General information section	11
Illustrative structure for section 1 ESRS 2 General disclosures – Mandatory disclosures	12
Illustrative structure for section 1 ESRS 2 General disclosures – Disclosures based on materiality	13
High-level content overview: 1.1 Basis for preparation	14
High-level content overview: 1.2 Governance	15
High-level content overview: 1.3 Strategy	17
High-level content overview: 1.4 IRO management	20

Environmental information section	23
Illustrative structure for subsection 2.1 EU Taxonomy and subsection 2.2 ESRS E1 Climate change	24
High-level content overview: 2.1 EU Taxonomy disclosures	25
High-level content overview: 2.2 ESRS E1 Climate change	27

Social information section	28
Illustrative structure for subsection 3.1 ESRS S1 Own workforce	29
High-level content overview: 3.1 ESRS S1 Own workforce	30

Governance information section	31
Illustrative structure for section 4 ESRS G1 Business conduct	32
High-level content overview: 4 ESRS G1 Business conduct	33

Part 3: Appendices

Appendix 1: Abbreviations	35
Appendix 2: Qualitative characteristics of information	35
Appendix 3: Flowchart for determining disclosures under ESRS	36
Appendix 4: Transitional provisions	37
Appendix 5: Incorporation by reference	38
Appendix 6: Regulatory overview links	38
Disclaimer	39
List of contacts	39

How to use this guidebook

Objective of the guidebook's parts

Part 1: Introduction and context

The first part of the guidebook sets the scene for how to read the guidebook. It introduces the key concepts from ESRS that are important to take into consideration when preparing and structuring a sustainability statement for a company or group.

Part 2: The sustainability statement

The second part of the guidebook:

- Provides a high-level illustrative overview of how to structure a sustainability statement;
- Provides illustrative structures for certain ESRS (ESRS 2 General disclosures, ESRS E1 Climate change, ESRS S1 Own workforce, as well as ESRS G1 Business conduct);
- Provides high-level content overviews of certain disclosure requirements.

Some sections of the sustainability statement presented in part 2 of this guidebook will consist of several subsections. The sections have been numbered to illustrate this. See for example the “Environmental information” section where “2.1 EU Taxonomy” and “2.2 ESRS E1 Climate change” will be two individual subsections. Furthermore even though ESRS S1 Own workforce is the only social standard presented in this guidebook, the social ESRS consist of four standards in total and ESRS S1 is therefore presented as a subsection “3.1 ESRS S1 Own workforce” in this guidebook.

Part 3: Appendices

The last part of the guidebook consists of appendices that elaborate on concepts addressed and provide additional information that may be helpful when preparing and structuring a sustainability statement for a company or group.

How to read the guidebook

GOV-1

The *boxes* represent references to the relevant ESRS disclosure requirements (DRs).

These types of references can be applied when designing and illustrating a sustainability statement.

GOV-2



The *target* icon represents the objective of the listed DR(s).



The *plus* icon represents additional points to consider when preparing disclosures under certain ESRS and DRs.



The *cogs* icon represents DRs in topical ESRS that need to be taken into account when reporting against the DRs in ESRS 2. Please also see ESRS 2 Appendix C *Disclosure and Application Requirements in Topical ESRS that are applicable in conjunction with ESRS 2 General disclosures*.

Setting the scene – key concepts

This part outlines the key concepts of sustainability reporting and the core elements of the standards. See appendices for additional information and links to the regulation.

Corporate Sustainability Reporting Directive (CSRD)

CSRD sets the framework for sustainability reporting. It lays out the scope of content, first-time application, scope of application, assurance requirements and more. CSRD is a directive and has been transposed into the Norwegian law (e.g. the Norwegian Accounting Act).

European Sustainability Reporting Standards (ESRS)

ESRS specify the reporting requirements. ESRS consist of:

- Sector-agnostic standards (12 ESRS: 2 cross-cutting standards and 10 topical (Environmental, Social and Governance) standards;
- Sector-specific standards (expected in 2026);
- Standards specific for listed small and medium-sized companies (SMEs) (coming later);
- Standards specific for reporting concerning non-EU companies (postponed until 2026 with application in 2028).

ESRS will be translated into Norwegian and passed as regulations (secondary law).

This guide focuses on the application of the sector-agnostic standards as per the below.

Sector agnostic standards			
Cross-cutting standards	Topical standards		
	Environment	Social	Governance
ESRS 1 General requirements	ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS 2 General disclosures	ESRS E2 Pollution	ESRS S2 Workers in the value chain	
	ESRS E3 Water and marine resources	ESRS S3 Affected communities	
	ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
	ESRS E5 Resource use and circular economy		

Setting the scene – key concepts (continued)

First time application for companies in scope according to the Norwegian implementation

Large companies/groups and small- and medium-sized listed companies, except micro companies, are required to apply the new requirements for sustainability reporting. The Norwegian Accounting Act defines limits for large, medium-sized, and micro companies/groups, and the previous size limits for small companies are raised. Except for state enterprises, that are in scope according to the Norwegian law, the types of undertakings subject to the reporting requirements are equivalent to EU legislation.

Until a company needs to apply the new requirements, there is no requirement for a separate sustainability report for companies that have previously reported in accordance with the previous Norwegian Accounting Act section 3-3c (Report on social responsibility).

The first time application will apply to companies in different stages as detailed below.

When	Financial year 2024	Financial year 2025	Financial year 2026	Financial year 2028
Who	Listed companies*, banks, insurance companies and credit companies that have: <ul style="list-style-type: none"> at least 500 FTE (average), and Net turnover > 580 MNOK or balance sheet total > 290 MNOK 	All large** companies not included in scope for financial year 2024. <p><i>Deferred reporting until 2026 for large undertakings defined as “small and non-complex credit institutions” and captive insurance and reinsurance undertakings.</i></p>	Small and medium-sized listed companies* (SMEs), except micro companies). <p><i>Option to wait another two years – requires disclosure hereof.</i></p>	Third-country companies with large subsidiary or branch in the EU and a total net turnover in the EU that exceeds EUR 150M at group level. For branches, the branch’s net turnover exceeded EUR 40M in the previous financial year.

*) Companies with securities admitted to trading on a regulated market in an EU/EEA country. In Norway, this will be companies listed on Oslo Børs and Euronext Expand, but not companies listed on Euronext Growth, as this is not a regulated market.

**) Large companies are companies, who in two consecutive financial years, have exceeded two of the following criteria:

- Net turnover 580 MNOK;
- Balance sheet total 290 MNOK;
- Number of employees 250 FTE (average).

ESRS 1

ESRS 1 General requirements determines the architecture of all the standards, the drafting conventions and fundamental concepts used, and the general requirements for preparing and presenting sustainability information.

ESRS definition of the sustainability statement

Companies must disclose their sustainability information in a dedicated section of the management report, which must be clearly distinguishable as the “sustainability statement”. The sustainability statement is defined in ESRS as the dedicated section of a company’s management report in which information about sustainability matters, prepared in compliance with [Directive 2013/34/EU of the European Parliament and of the Council](#) and ESRS is presented. This guide focuses on the structure of the sustainability statement.

A sustainability statement is structured into four sections

ESRS 1 requires companies to structure the sustainability statement into the following parts and order:

- General information;
- Environmental information;
- Social information, and;
- Governance information.

All relevant information related to a material matter should be presented together in the relevant part. A company may refer to information in one part of the sustainability statement that is presented in another part of the sustainability statement if:

- The information relates to ESRS 1, chapter 3.6 *Material impacts or risks arising from actions to address sustainability matters.*
- The company covers e.g. environmental matters and social matters in the same policy. In this case the company may report on the policy in its environmental disclosures and cross-reference to it from the relevant social disclosures or vice versa (consolidated presentation of policies across topics).

Setting the scene – key concepts (continued)

ESRS 1 (continued)

Incorporation by reference

Additionally, ESRS allows incorporation by reference, meaning that a company is allowed to include relevant information in the sustainability statement by referring to certain documents, or parts of those documents, outside of the sustainability statement, if certain conditions are met.

Please see Appendix 5 for more information on incorporation by reference.

Four reporting areas

ESRS 1 defines four reporting areas applicable to ESRS 2 and topical ESRS:

- a. Governance (“GOV”);
- b. Strategy (“SBM”);
- c. Impact, risk and opportunity management (“IRO management”) including policies and actions;
- d. Metrics and targets (“MT”).

Double materiality as the basis for sustainability disclosures

ESRS 1 requires a reporting company to conduct a double materiality assessment to determine what to report on. Double materiality consists of two dimensions, namely the impact materiality perspective and the financial materiality perspective (risks and opportunities). The materiality assessment should not only cover the company’s own operations, but also impacts, risks and opportunities (IROs) connected with the company through its direct and indirect business relationships in the upstream and/or downstream value chain. Only sustainability matters that are identified as material are to be reported on. For a material matter, the company shall disclose material information according to the requirements set out in the relevant topical ESRS. Reporting according to ESRS 2 is mandatory.

Material matters and materiality of information

Disclosure requirements (DRs) in the topical ESRS rely on a “two step approach”. The first step is the double materiality assessment (as previously described) where the company identifies the material impacts, risks and opportunities (IROs) and thereby determines which matters are material to report on. The second step is to identify the material information to disclose. For a material matter, the company shall disclose material information related to that specific matter in the relevant topical ESRS, and additional entity-specific metrics where the matter is not covered or not covered with a sufficient granularity by an ESRS.

Information is material and should be disclosed if the information is relevant based on:

- a. The significance of the information in relation to the matter it depicts, and/or;
- b. The relevance of the information for users’ decision making needs.

Entity-specific disclosures

When a company concludes that an impact, risk or opportunity is not covered or is not covered with sufficient granularity by a topical ESRS, but is material due to its specific facts and circumstances, the company shall provide entity-specific disclosures in addition to the DRs outlined in the cross-cutting ESRS, topical ESRS and sector specific ESRS.

“Shall disclose” vs. “may disclose”

ESRS distinguish between different degrees of obligation for disclosure. When ESRS use the term “shall disclose” the company shall disclose the information if it is material. When ESRS use the term “may disclose”, this indicates a voluntary disclosure to encourage good practice. When preparing the sustainability statement, management must consider the nature of the reporting requirements.

Qualitative characteristics of information

When preparing its sustainability statement, a company shall take into consideration and ensure the following characteristics:

- Relevance;
- Faithful representation;
- Comparability;
- Verifiability;
- Understandability.

Please see Appendix 2 for more information on the qualitative characteristics of information.

Transitional provisions

When preparing the sustainability statement, a company can consider the transitional provisions available in ESRS:

- Transitional provisions related to entity-specific disclosures;
- Transitional provisions related to value chain;
- Transitional provisions related to presenting comparative information;
- Transitional provisions related to specific DRs that are phase-ins.

Please refer to Appendix 4 for more information on transitional provisions.

Setting the scene – key concepts (continued)

ESRS 1 (continued)

Policies, actions, targets and metrics

Policies, actions, targets and metrics are treated differently in ESRS.

Policies, actions and targets

When disclosing on policies, actions and targets in the topical ESRS for a material sustainability matter, the minimum disclosure requirements (MDRs) on policies (MDR-P), actions (MDR-A), and targets (MDR-T) required under ESRS 2 shall also be applied. If management has not adopted policies, implemented actions or set targets for the material matters, the company shall disclose this fact, the reason why and may report a timeframe in which it aims to have these in place.

Metrics

When disclosing on metrics in the topical ESRS for a material sustainability matter, the MDRs on metrics (MDR-M) required under ESRS 2 shall also be applied. In this regard, a company shall establish how it applies criteria, including appropriate thresholds to determine the information it discloses on metrics. For metrics specifically, a company may omit the information prescribed by a datapoint of a material disclosure requirement (DR), if the company assesses the information not to be material and concludes that the information is not needed to meet the objective of the DR.

Please refer to ESRS 1, chapter 3.2 *Material matters and materiality of information* for more information, as well as Appendix 3 to see the flowchart for determining disclosures under ESRS.

Application requirements

In addition to DRs most ESRS also contain application requirements (ARs). ARs support the application of DRs and have the same authority as other parts of an ESRS. ARs must be taken into consideration when disclosing according to certain DRs.

ESRS 2

ESRS 2 General disclosures determines the DRs that are mandatory and apply to all companies across all sustainability topics, regardless of their sector.

Minimum disclosure requirements

ESRS 2 implements the MDRs set out in ESRS 1 for companies to report on. A central part of ESRS 2 is therefore MDR-P, MDR-A, MDR-T and MDR-M. MDRs shall be applied together with the corresponding DRs and ARs in the topical ESRS. This information shall be presented in the section with the related topic.

Methods and assumptions used to calculate metrics and targets

Following the MDRs for metrics (MDR-M) and targets (MDR-T), the company shall disclose the methods and assumptions used to calculate the metrics and define the targets related to a material matter. This information shall be presented in the section with the related topic.

Implementation of the four reporting areas

ESRS 2 implements the four pillar reporting architecture that is set out in ESRS 1. A central part of ESRS 2 is therefore the DRs related to governance (“GOV”), strategy (“SBM”), impact, risk and opportunity management (“IRO management”) as well as metrics and targets (“MT”).

Topical ESRS (Environmental, Social and Governance)

Topical ESRS determine the DRs for disclosing on environmental, social and governance matters. The topical standards are subject to the double materiality assessment principle, meaning that DRs shall be disclosed if the associated sustainability matter is deemed to be material. Summed up, a company needs to disclose material information per sustainability matter, i.e. per impact, risk or opportunity.

EU Taxonomy

The disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) must be included in the environmental section of the sustainability statement and must be clearly identifiable.

Digital tagging

CSRD requires digital tagging of the information disclosed, just as it currently applies to financial data. This should make it easier to collect and compare disclosures across companies. It is a good idea to have the European Single Electronic Format (ESEF) Sustainability Taxonomy in mind (taxonomy centric approach) when designing the sustainability statement. Keeping a stringent approach to the various DRs and datapoints and avoid mixing them will make the markup process to the ESEF Sustainability Taxonomy easier. It is also important to observe the data type for metrics and targets. If the taxonomy requires a percentage or a date, this should be reported respectively.

Introduction to part 2

In part 2, the sustainability statement is presented in more detail, starting with a high-level illustrative overview of the sustainability statement structure, followed by illustrative structures for certain ESRS as well as high-level content overviews of certain disclosure requirements (DRs).

As presented in part 1, the sustainability statement is a separate section of a company's management report where all information about sustainability matters is presented. Furthermore, ESRS 1 requires companies to structure the sustainability statement in the following sections and order:

- General information;
- Environmental information;
- Social information, and;
- Governance information.

The illustration on the next page seeks to give guidance on the location of the DRs in the sustainability statement. In other words, answering the question which DRs shall be reported where.

The following pages will focus on ESRS 2 General disclosures, ESRS E1 Climate change, ESRS S1 Own workforce, as well as ESRS G1 Business conduct.

Please note that all illustrative structures and high-level content overviews are outlines of the sustainability statement. The actual structure, headings and content should be adapted to fit the specific company context, depending on its material sustainability matters and related DRs.



High-level illustrative overview of the sustainability statement structure

Annual Report

About this report

To our stakeholders

[...]

(Consolidated) management report

[...]

Sustainability statement

[...]

Sustainability statement

General information

- **ESRS 2 General disclosures**
 - Basis for preparation
 - Governance incl. specific topical DRs from topical ESRS
 - Strategy incl. specific topical DRs from topical ESRS
 - Impact, risk and opportunity management incl. specific topical DRs from topical ESRS

Environmental information

- **Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)**
- **ESRS E1 Climate change**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS E2 Pollution**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS E3 Water & marine resources**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS E4 Biodiversity & ecosystems**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS E5 Resource use & circular economy**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures

Social information

- **ESRS S1 Own workforce**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS S2 Workers in the value chain**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS S3 Affected communities**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures
- **ESRS S4 Consumers and end-users**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures

Governance information

- **ESRS G1 Business conduct**
 - Policies and actions DRs
 - Metrics and targets DRs
 - Entity specific disclosures

General information section

ESRS 2
General disclosures

Illustrative structure for section 1: ESRS 2 General disclosures

Mandatory disclosures

The below table is a suggested structure for section 1 regarding ESRS 2 General disclosures. These disclosures are mandatory for all companies.

Be aware that there are additional topical disclosures to be presented alongside ESRS 2 disclosures, if the sustainability topic is deemed to be material. See the next page for more information.

Section	Disclosure requirement content	Disclosure requirement number
1.1 Basis for preparation	General basis for preparation of the sustainability statement	BP-1
	Disclosures in relation to specific circumstances	BP-2
1.2 Governance	The role of the administrative, management and supervisory bodies	GOV-1
	Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV-2
	Sustainability-related performance in incentive schemes	GOV-3
	Statement on due diligence	GOV-4
	Risk management and internal controls over sustainability reporting	GOV-5
1.3 Strategy	Strategy, business model and value chain	SBM-1
	Interests and views of stakeholders	SBM-2
	Material impacts, risks and opportunities and how they interact with its strategy and business model	SBM-3
1.4 Impact, risk and opportunity management	Process to identify and assess material impacts, risks and opportunities	IRO-1
	<ul style="list-style-type: none"> • ESRS E1 Climate change (paragraph 20 to 21)* • ESRS E2 Pollution (paragraph 11)* • ESRS E3 Water and marine resources (paragraph 8)* • ESRS E4 Biodiversity and ecosystems (paragraph 17 to 19)* • ESRS E5 Resource use and circular economy (paragraph 11)* • ESRS G1 Business conduct (paragraph 6)* 	
	Disclosure requirements in ESRS covered by the sustainability statement**	IRO-2

*) The required topical information shall be reported alongside the ESRS 2 IRO-1 disclosure requirement. See ESRS 2, paragraph 2 (a) and ESRS 2, Appendix C.

**) If climate change is not deemed to be material and therefore all disclosure requirements in ESRS E1 Climate change are omitted, a detailed explanation of the conclusions of the materiality assessment with regard to climate change shall be disclosed alongside the ESRS 2 IRO-2 disclosure requirement. This shall include a forward-looking analysis of the conditions that could lead the company concluding that climate change is material in the future. See ESRS 2, DR IRO-2, paragraph 57.

Illustrative structure for section 1: ESRS 2 General disclosures

Disclosures based on materiality

There are additional topical disclosures to be presented alongside ESRS 2 disclosures in the "General information" section, if the sustainability topic is deemed to be material.

In other words, the disclosures illustrated below shall be presented alongside the disclosures illustrated on the previous page if deemed to be material.

Section	Disclosure requirement content	Disclosure requirement number
1.2 Governance	The role of the administrative, management and supervisory bodies	GOV-1
	• ESRS G1 Business conduct (paragraph 5)*	
	Sustainability-related performance in incentive schemes	GOV-3
	• ESRS E1 Climate change (paragraph 13)*	
1.3 Strategy	Interests and views of stakeholders	SBM-2
	• ESRS S1 Own workforce (paragraph 12)* • ESRS S2 Workers in the value chain (paragraph 9)* • ESRS S3 Affected communities (paragraph 7)* • ESRS S4 Consumers and end-users (paragraph 8)*	
	Material impacts, risks and opportunities and how they interact with its strategy and business model	SBM-3
	• ESRS E1 Climate change (paragraphs 18 to 19)** • ESRS E4 Biodiversity and ecosystems (paragraph 16)** • ESRS S1 Own workforce (paragraph 13 to 16)** • ESRS S2 Workers in the value chain (paragraph 10 to 13)** • ESRS S3 Affected communities (paragraph 8 to 11)** • ESRS S4 Consumers and end-users (paragraph 9 to 12)**	

*) The required topical information must be reported alongside the relevant ESRS 2 disclosure requirement in the "General information" section (see relevant disclosure requirement in the column "disclosure requirement number"), if the sustainability topic is deemed to be material. See ESRS 2, paragraph 2 (b) and ESRS 2, Appendix C.

**) The required topical information related to SBM-3 shall be presented alongside the ESRS 2 SBM-3 disclosure requirement in the "General information" section, if the sustainability topic is deemed to be material. Additionally, the required SBM-3 related information can also be presented in the related topical section. See ESRS 2, DR SBM-3, paragraph 49.

General information

1.1 Basis for preparation



The objective of disclosure requirements (DRs) BP-1 and BP-2 is to provide an understanding of:

- a. How a company prepares its sustainability statement, including the scope of consolidation, the upstream and downstream value chain information and, where relevant, whether the company has used any of the options for omitting information (intellectual property, know-how or the results of innovation);
- b. The effect of specific circumstances on the preparation of the sustainability statement.

General basis for preparation of the sustainability statement

BP-1

Basis for preparation serves as an introduction to the sustainability statement and gives the reader an overview of the general basis for preparation, such as scope of consolidation and specific circumstances, such as measurement uncertainty for metrics.

Similar to a financial statement, this section provides details on the reporting and accounting scope applied according to the requirements defined in ESRS 1 and ESRS 2.

The BP-1 disclosures include information about e.g.:

- The scope of consolidation;
- To what extent the sustainability statement covers the company's upstream and downstream value chain;
- Whether the company has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

Disclosures in relation to specific circumstances The BP-2 disclosures include information about:

BP-2

- Time horizons;
- Value chain estimation;
- Sources of estimation and outcome uncertainty;
- Changes in preparation or presentation of sustainability information;
- Reporting errors in prior periods;
- Disclosures stemming from other legislation or generally accepted sustainability reporting standards and frameworks;
- Incorporation by reference;
- Use of phase-in provisions in accordance with ESRS 1 Appendix C *List of phased-in Disclosure Requirements*.

General information

1.2 Governance



The objective of disclosure requirements (DRs) GOV-1, GOV-2 and GOV-3 is to provide an understanding of:

- The composition and diversity of the administrative, management and supervisory bodies;
- The roles and responsibilities of the executive management and Board of Directors in exercising oversight of the process to manage material impacts, risks and opportunities, including management's role in these processes, and;
- The expertise and skills of the executive management and Board of Directors on sustainability matters or access to such expertise and skills;
- How the executive management and Board of Directors are informed about sustainability matters, as well as what information and matters they have addressed during the reporting period;
- Whether incentive schemes are offered to members of the administrative, management and supervisory bodies that are linked to sustainability matters.



According to the DR related to ESRS 2 IRO-1 in ESRS E1, the reporting on incentive schemes needs to specifically consider and mention incentive systems in relation to climate change strategy and targets and with reference to GHG emission reduction targets (E1-4).

The role of the administrative, management and supervisory bodies

GOV-1

Example of information to disclose:

- Composition and diversity;
- Roles and responsibilities in the oversight of processes to manage material impacts, risks and opportunities;
- Level of expertise on material sustainability matters and/or access thereof;

Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

GOV-2

Example of information to disclose:

- Whether, by whom and how frequently the administrative, management and supervisory bodies are informed about material sustainability matters, implementation of due diligence, and the results of policies, actions, metrics and targets adopted;
- How material sustainability matters are considered by the administrative, management and supervisory bodies when overseeing the company's strategy, and risk management process;
- A list of the material sustainability matters addressed by the administrative, management and supervisory bodies, during the reporting period.

Integration of sustainability-related performance in incentive schemes

GOV-3

Example of information to disclose:

- A description of the key characteristics of the incentive schemes;
- Whether and how sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies;
- The proportion of variable remuneration dependent on sustainability-related targets and/or impact.

General information

1.2 Governance (continued)



The objective of disclosure requirements (DRs) GOV-4 and GOV-5 is to provide an understanding of:

- The company's due diligence process with regard to sustainability matters;
- The company's risk management and internal control processes in relation to sustainability reporting.



Companies must transparently report on where in the sustainability statement they describe their due diligence processes, but ESRS do not set any specific requirements on how these processes must be carried out. ESRS do not impose any conduct requirements in relation to due diligence; nor do ESRS extend or modify the role of the company's administrative, management or supervisory bodies in regard to the conduct of due diligence.

However, ESRS state that the materiality assessment should be informed by the company's due diligence processes, in accordance with the definitions set out in the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

The Corporate Sustainability Due Diligence Directive (CSDDD) sets clear requirements on how a due diligence process should be carried out. The CSDDD also refers to the UN Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises.

Statement on due diligence

Example of information to disclose:

- A mapping and explanation on how and where application of the main aspects and steps of the sustainability due diligence process are reflected in the sustainability statement. This can be provided in a table, see below, which works as a "content index" for the core elements of the due diligence.
- If the core elements are not covered in the sustainability statement, management needs to report a transparent status on this.

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	
b) Engaging with affected stakeholders in all key steps of the due diligence process	
c) Identifying and assessing adverse impacts	
d) Taking actions to address those adverse impacts	
e) Tracking the effectiveness of these efforts and communicating them	

Risk management and internal controls over sustainability reporting

Example of information to disclose:

- Scope, main features and components of relevant processes and systems for risk management and internal controls;
- Approach and risk prioritisation methodology in relation to the sustainability reporting process, incl. main risks identified and corresponding mitigation strategies;
- Integration of findings into relevant internal functions and processes;
- Reporting to relevant bodies.

General information

1.3 Strategy



The objective of disclosure requirement (DR) SBM-1 is to describe:

- The key elements of the company's general strategy that relate to or affect sustainability matters, and the key elements of the company's business model and value chain, in order to provide an understanding of its exposure to impacts, risks and opportunities, and from where they originate.



ESRS 2 Application Requirement (AR) 14 further specifies what the company shall consider when disclosing the company's business model and value chain.



EFRAG has published a non-authoritative implementation guidance 2 on value chain. It is recommended to use when companies are considering various aspects of the value chain both during its double materiality assessment and when preparing the presentation in the sustainability statement.



A company can support its reporting with an illustration of the value chain in the general information section. Although an illustration helps the reader understand the value chain and the main business actors and their relationship with the company, it is important that the description itself can be understood without the illustration. This is because the digital markup of the sustainability statement only contains text and amounts and not illustrations.

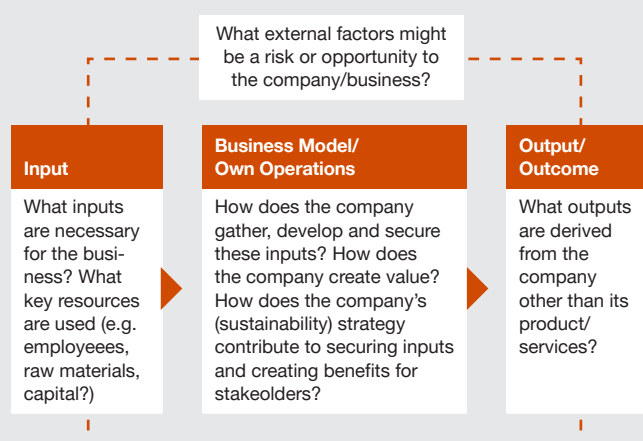
Strategy, business model and value chain

Example of information to disclose:

SBM-1

- Description of business model (incl. inputs and output/outcomes);
- Description of the value chain (incl. inputs and output/outcomes);
- Description of products and/or services offered (as well as changes), major markets and customer groups, headcount by geography, and products/services banned in certain markets (if applicable);
- Reporting on revenue related to the fossil fuel sector, chemical production, controversial weapons, cultivation and production of tobacco (if applicable);
- Sustainability-related targets in terms of products and services, customer groups, geographic areas or stakeholders;
- Current market position in relation to targets.

Connecting business model and strategy with sustainability is a key aspect of CSRD and ESRS, and management needs to assess and disclose which inputs it uses and how they are incorporated in the business model and strategy as well as what (beneficial) outputs it generates. The following is a high-level illustration of what to take into consideration:



General information

1.3 Strategy (continued)



The objective of disclosure requirement (DR) SMB-2 is to provide an understanding of:

- a. How stakeholders' interests and views inform the company's strategy and business model.



With the Norwegian implementation of CSRD, a new requirement in the Norwegian Accounting Act, section 2-4 and 2-5, mandates that the management of a company in scope of the Norwegian Accounting Act section 2-3 must ensure that the company's employee representatives are notified, and must discuss with them relevant sustainability information and the means to obtain and verify sustainability information.

Interests and views of stakeholders

Example of information to disclose:

SMB-2

- Description of stakeholder engagement, including a list of key stakeholders, how it is organised and with what purpose;
- To which extent the stakeholders' interests and views were analysed during the company's due diligence process and/or materiality assessment process;
- How stakeholders' interests and views have been analysed and potentially led to amendments of the company's strategy and business model;
- How the administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders with regard to sustainability-related impacts.

Stakeholders are those who can affect or be affected by the company. There are two main groups of stakeholders:

- a. Affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the company's activities and its direct and indirect business relationships across its value chain; and
- b. Users of sustainability statements: primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions, insurance companies), and other users of sustainability statements, including the company's business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics.

In addition, common categories of stakeholders that affect or can be affected by the company are: nature (silent stakeholder), employees and other workers, suppliers, consumers, customers, end-users, local communities, persons in vulnerable situations, and public authorities, including regulators, supervisors and central banks.

General information

1.3 Strategy (continued)



The objective of disclosure requirement (DR) SMB-3 is to provide an understanding of:

- a. The material impacts, risks and opportunities as they result from the company's materiality assessment and how they originate from and trigger adaptation of the company's strategy and business model including its resource allocation.



Be aware that information regarding anticipated financial effects can be phased in for the first year of preparation of the sustainability statement. Please refer to Appendix 4 of this guidebook and/or ESRS 1 Appendix C *List of phased-in Disclosure Requirements* for more information.

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

SBM-3

Example of information to disclose:

- Description of the material impacts, risks and opportunities resulting from the double materiality assessment and where they are concentrated in the value chain, also considering geographical areas, facilities or types of assets, inputs, outputs and distribution channels;
- Details on the company's material impacts such as how the impacts affect people or the environment;
- Current financial effects of the company'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 of the company'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.

General information

1.4 IRO management



The objective of disclosure requirement (DR) IRO-1 is to provide an understanding of:

- a. The process through which the company identifies impacts, risks and opportunities and assesses their materiality, as the basis for determining the disclosures in its sustainability statement.



For guidance on how to conduct a double materiality assessment, EFRAG has published a non-authoritative implementation guidance 1 on materiality assessment.



DRs related to ESRS 2 IRO-1 in topical ESRS are mandatory to disclose and the required information in topical ESRS shall be reported alongside ESRS 2 IRO-1 in the "General information" section. See ESRS 2, paragraph 2 (a) and ESRS 2 *Appendix C Disclosure and Application Requirements in Topical ESRS that are applicable in conjunction with ESRS 2 General disclosures*.

Materiality assessment process

Example of information to disclose:

IRO-1

- A description of the methodologies and assumptions applied in the process;
- An overview of the process to identify, assess, prioritise and monitor the company's potential and actual impacts on people and the environment, informed by the company's due diligence process;
- An overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects;
- A description of the decision-making process and the related internal control procedures;
- The extent to which and how the process to identify, assess and manage impacts and risks is integrated into the company's overall risk management process and is used to evaluate the company's overall risk profile and risk management processes;
- The extent to which and how the process to identify, assess and manage opportunities is integrated into the company's overall management process where applicable;
- The input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions);
- Whether and how the process has changed compared to the prior reporting period, when the process was modified for the last time and future revision dates of the materiality assessment.

General information

1.4 IRO management (continued)



The objective of disclosure requirement (DR) IRO-2 is to provide an understanding of:

- a. The DRs included in the company's sustainability statement and the topics that have been omitted as not material, as a result of the materiality assessment.



See ESRS 1, paragraph 35 when disclosing on ESRS 2, IRO-2.

Disclosure requirements in ESRS covered by the company's sustainability statement

IRO-2

Example of information to disclose:

- The company shall include a list of DRs complied with in preparing the sustainability statement, following the outcome of the materiality assessment, including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement. This may be presented as a content index. See the example below.

ESRS	DR	Name of DR	Page	Paragraph
General information				
ESRS 2	BP-1	General basis for preparation of sustainability statements	x	x
ESRS 2	BP-2	Disclosures in relation to specific circumstances	x	x
ESRS 2	GOV-1	The role of administrative, management and supervisory bodies	x	x
ESRS 2	GOV-2	Information provided to, and sustainability matters addressed by the company's administrative, management and supervisory bodies	x	x
	GOV-3	Integration of sustainability-related performance in incentive schemes	x	x
	GOV-4	Statement on due diligence	x	x
	GOV-5	Risk management and internal controls over sustainability reporting	x	x
	SBM-1	Strategy, business model and value chain	x	x
	SBM-2	Interests and views of stakeholders	x	x
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	x	x
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	x	x
	IRO-2	Requirements in ESRS covered by the undertaking's sustainability statement	x	x
Environmental information				
ESRS E	N/A	Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	x	x
ESRS E1	E1-1	Transition plan for climate change mitigation	x	x
ESRS E1	...	...	x	x
Social information				
ESRS S1	S1-1	Policies related to own workforce	x	x
ESRS S1	...	...	x	x
Governance information				
ESRS G1	G1-1	Business conduct policies and corporate culture	x	x
ESRS G1	...	...	x	x

General information

1.4 IRO management (continued)



The objective of disclosure requirement (DR) IRO-2 is to provide an understanding of:

- a. The DRs included in the company's sustainability statement and the topics that have been omitted as not material, as a result of the materiality assessment.



The following EU legislation should be considered:

- Sustainable Finance Disclosure Regulation (SFDR);
- Pillar 3;
- Benchmark Regulation;
- European Climate Law (legislation not adopted in Norway).

Disclosure requirements in ESRS covered by the company's sustainability statement

Example of information to disclose:

- The company shall also include a table of all the datapoints (DPs) that derive from other EU legislation as listed in ESRS 2 *Appendix B List of datapoints in cross-cutting and topical standards that derive from other EU legislation*, indicating where they can be found in the sustainability statement. Please note that all of the DPs listed in ESRS 2 Appendix B need to be listed, even the ones that are not material. In this case the company need to state that the information is "not material". Below is an extract from ESRS 2 Appendix B.
- If a company concludes, that climate change is not material and therefore omits all disclosure requirements (DRs) in ESRS E1 Climate change, it shall disclose a detailed explanation of the conclusions of its materiality assessment with regard to climate change, including a forward-looking analysis of the conditions that could lead the company to conclude that climate change is material in the future.
- The company shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS 1 section 3.2 *Material matters and materiality of information*.

IRO-2 continued

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page	Materiality
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		X	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II			Not material

Environmental information section

Subsection 2.1
EU Taxonomy

Subsection 2.2
ESRS E1
Climate change

Illustrative structure for subsection 2.1: EU Taxonomy and subsection 2.2: ESRS E1 Climate change

The below table is a suggested structure for subsection 2.1 regarding EU Taxonomy and subsection 2.2 regarding ESRS E1 Climate change.

The EU Taxonomy section must be included in the environmental section of the sustainability statement and must be clearly identifiable.

Since the environmental ESRS also include E2 Pollution, E3 Water and marine resources, E4 Biodiversity and eco-

systems, and E5 Resource use and circular economy, the subsections here are called 2.1 and 2.2 so that the count of sections can continue.

The illustrative structure below includes all E1 Climate change disclosure requirements (DRs) based on materiality. The actual structure should always be adapted to fit a specific company context, depending on material sustainability matters and related DRs.

Section	Disclosure requirement content	Disclosure requirement number
EU Taxonomy		
2.1 EU Taxonomy	Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	N/A
E1 Climate change		
2.2.1 E1 Climate change Strategy	Transition plan for climate change mitigation	E1-1*
2.2.2 E1 Climate Change IRO management	Policies related to climate change mitigation and adaptation	E1-2*
	Actions and resources in relation to climate change policies	E1-3*
2.2.3 E1 Climate change Metrics and targets	Targets related to climate change mitigation and adaptation	E1-4*
	Energy consumption and mix	E1-5*
	Gross Scopes 1, 2, 3 and Total GHG emissions	E1-6*
	GHG removals and GHG mitigation projects financed through carbon credits	E1-7*
	Internal carbon pricing	E1-8*
	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1-9*
	E.g. entity specific metrics	

*) When disclosing on policies, actions, targets and metrics in the topical ESRS for a material sustainability matter, the minimum disclosure requirements (MDRs) on policies (MDR-P), actions (MDR-A), targets (MDR-T) and metrics (MDR-M) required under ESRS 2 shall also be applied. The required information shall be presented in the section with the related topic, i.e. in the section illustrated here.

Environmental information

2.1 EU Taxonomy disclosures



A company shall include in its sustainability statement the disclosures pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and the Council and to the Commission Delegated Regulations that specify the content and other modalities of those disclosures.

A company shall ensure that these disclosures are separately identifiable within the sustainability statement.

The disclosures relating to each of the environmental objectives defined in the Taxonomy Regulation shall be presented together in a clearly identifiable part of the environmental section of the sustainability statement. According to ESRS 1 Appendix D *Structure of the ESRS sustainability statement* it shall be in the first part of the “Environmental information” section.

EU Taxonomy disclosures

The EU Taxonomy is an EU classification system of sustainable economic activities. The concept of the EU Taxonomy is to identify whether companies have activities that can be classified as environmentally sustainable according to the following six environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

To be classified as sustainable, an economic activity has to go through the following five-step process:

1. Identification of eligibility.
 - List of activities defined in Delegated Acts.
2. Substantial contribution to at least one of the environmental objectives.
 - Compliance with technical criteria.
3. Do no significant harm (DNSH) to any of the other five environmental objectives.
4. Compliance with minimum social safeguards.
 - Human Rights principles and fundamental rights at work. On this step it can be determined whether the activity in question is sustainable and in alignment with the EU Taxonomy.
5. Reporting of KPIs listed on the next page.

Environmental information

2.1 EU Taxonomy disclosures

(continued)



These disclosures are not subject to the provisions of ESRS, with the exception of ESRS 1, paragraph 113 and ESRS 1, paragraph 115, first sentence.



Various disclosure requirements (DRs) and application requirements (ARs) throughout the environmental ESRS make references to the EU Taxonomy (Taxonomy Regulation) and its Delegated Acts. This includes, for example:

- DR E1-1 Transition plan for climate change mitigation;
- DR E1-3 Actions and resources in relation to climate change policies;
- DR E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities;
- DR E2-2 Actions and resources related to pollution;
- DR E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model.

EU Taxonomy disclosures

Example of information to disclose:

- In relation to the activities classified as sustainable according to the EU Taxonomy, the regulation requires companies to report their:
 - Turnover (pct.);
 - Capital expenditure (CapEx);
 - Operating expenditure (OpEx).

The three KPI's shall be reported using the EU Taxonomy's mandatory table format including contextual information on how the company has calculated these KPIs. The mandatory tables are to be found in Annex II of the [Commission Delegated Regulation 2023/2486](#).

Find the template for turnover including footnotes with additional requirements and guidance for the template.

Find the template for CapEx including footnotes with additional requirements and guidance for the template.

Find the template for OpEx including footnotes with additional requirements and guidance for the template.

Environmental information

2.2 Climate change



ESRS E1 information overlaps in many regards with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Keep in mind that climate change risks also play an important part in the EU Taxonomy (Taxonomy Regulation).



The required topical information in the disclosure requirement (DR) related to ESRS 2 IRO-1 in ESRS E1 is mandatory to disclose and shall be reported alongside ESRS 2 IRO-1 in the “General information” section. The DR is therefore not illustrated here.



The required topical information in the DR related to ESRS 2 GOV-3 and the DR related to ESRS 2 SBM-3 in ESRS E1 shall be reported alongside ESRS 2 GOV-3 and ESRS 2 SBM-3 respectively in the “General information” section, if the sustainability topic is deemed to be material. Additionally for SBM-3, the required topical information can also be presented in the related topical section. The DRs are therefore not illustrated here.



If climate change is not deemed to be material and therefore all DRs in ESRS E1 Climate change are omitted, a detailed explanation of the conclusions of the materiality assessment with regard to climate change shall be disclosed alongside ESRS 2 IRO-2 in the “General information” section. This shall include a forward-looking analysis of the conditions that could lead the company concluding that climate change is material in the future. See ESRS 2, IRO-2, paragraph 57.

Climate change

ESRS E1 Climate change covers the following DRs to be disclosed in the “Environmental information” section, if the sustainability topic is deemed to be material:

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

When it comes to e.g. the strategy reporting area, the objective of the E1-1 is to provide an understanding of the company'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 company's exposure to coal, oil and gas-related activities.

ESRS E1 Appendix A *Application Requirements* specifies various technical requirements for preparing the information (e.g. formulas) and defines, in some cases, mandatory tables that must be applied when disclosing certain metrics.

Social information section

Subsection 3.1
ESRS S1
Own workforce

Illustrative structure for subsection 3.1: ESRS S1 Own workforce

The below table is a suggested structure for subsection 3.1 regarding ESRS S1 Own workforce. Since the social ESRS also include S2 Workers in the value chain, S3 Affected communities, and S4 Consumers and end-users, this section is called 3.1, so that the count of subsections can continue.

The illustrative structure below includes all ESRS S1 Own workforce disclosure requirements (DRs) based on materiality. The actual structure should always be adapted to fit a specific company context, depending on material sustainability matters and related DRs.

Section	Disclosure requirement content	Disclosure requirement number
3.1.1 Own workforce IRO management	Policies related to own workforce	S1-1*
	Processes for engaging with own workers and workers' representatives about impacts	S1-2*
	Processes to remediate negative impacts and channels for own workers to raise concerns	S1-3*
	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4*
3.1.2 Own workforce Metrics and targets	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5*
	Characteristics of the company's employees	S1-6*
	Characteristics of non-employee workers in the company's own workforce	S1-7*
	Collective bargaining coverage and social dialogue	S1-8*
	Diversity metrics	S1-9*
	Adequate wages	S1-10*
	Social protection	S1-11*
	Persons with disabilities	S1-12*
	Training and skills development metrics	S1-13*
	Health and safety metrics	S1-14*
	Work-life balance metrics	S1-15*
	Compensation metrics (pay gap and total compensation)	S1-16*
	Incidents, complaints and severe human rights impacts	S1-17*
	E.g. entity specific metrics	

*) When disclosing on policies, actions, targets and metrics in the topical ESRS for a material sustainability matter, the minimum disclosure requirements (MDRs) on policies (MDR-P), actions (MDR-A), targets (MDR-T) and metrics (MDR-M) required under ESRS 2 shall also be applied. The required information shall be presented in the section with the related topic, i.e. in the section illustrated here.

Social information

3.1 Own workforce



The disclosure requirements (DRs) of the social topics are strongly guided by due diligence elements. Transparency is key, and management shall identify material information, including relevance to determine the granularity of information. The Norwegian Transparency Act is based on the same due diligence principles.



The required topical information in the DR related to ESRS 2 SBM-2 and the DR related to ESRS 2 SBM-3 in ESRS S1 shall be reported alongside ESRS 2 SBM-2 and ESRS 2 SBM-3 respectively in the “General information” section, if the sustainability topic is deemed to be material. Additionally for SBM-3, the required topical information can also be presented in the related topical section. The DRs are therefore not illustrated here.

Own workforce

ESRS S1 Own workforce covers the following DRs to be disclosed in the “Social information” section, if the sustainability topic is deemed to be material:

- S1-1 Policies related to own workforce;
- S1-2 Processes for engaging with own workers and workers’ representatives about impacts;
- S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns;
- S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions;
- S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
- S1-6 Characteristics of the undertaking’s employees;
- S1-7 Characteristics of non-employee workers in the undertaking’s own workforce;
- S1-8 Collective bargaining coverage and social dialogue;
- S1-9 Diversity metrics;
- S1-10 Adequate wages;
- S1-11 Social protection;
- S1-12 Persons with disabilities;
- S1-13 Training and skills development metrics;
- S1-14 Health and safety metrics;
- S1-15 Work-life balance metrics;
- S1-16 Compensation metrics (pay gap and total compensation);
- S1-17 Incidents, complaints and severe human rights impacts.

ESRS S1 covers the company’s own employees as well as co-workers who work in direct connection with the company (e.g. self-employed consultants or workers who are contracted via staffing agencies). The standard does not cover employees of suppliers or customers. They are covered by ESRS S2 Workers in the value chain.

ESRS S1 Appendix A *Application Requirements* contains templates, which the company shall apply to present the requested information, eg. for ESRS S1-6 (AR55).

ESRS S1 Appendix A.1 *Application Requirements for ESRS 2 related disclosures*, Appendix A.2 *Application Requirements for ESRS S1-1*, Appendix A.3 *Application Requirements for ESRS S1-4* as well as Appendix A.4 *Application Requirements for ESRS S1-5* contain further ARs to apply, including a non-exhaustive list of factors to consider in the materiality assessment and examples of policies, actions and targets.

Governance information section

ESRS G1
Business conduct

Illustrative structure for section 4: ESRS G1 Business conduct

The below table is a suggested structure for section 4 regarding ESRS G1 Business conduct.

The illustrative structure below includes all ESRS G1 Business conduct disclosure requirements (DRs) based on materiality. The actual structure should always be adapted to fit a specific company context, depending on material sustainability matters and related DRs.

Section	Disclosure requirement content	Disclosure requirement number
4.1.1 Business conduct IRO management	Corporate culture and business conduct policies and corporate culture	G1-1*
	Management of relationships with suppliers	G1-2*
	Prevention and detection of corruption and bribery	G1-3*
4.1.2 Business conduct Metrics and targets	Confirmed incidents of corruption or bribery	G1-4*
	Political influence and lobbying activities	G1-5*
	Payment practices	G1-6*
	E.g. entity specific disclosures	

*) When disclosing on policies, actions, targets and metrics in the topical ESRS for a material sustainability matter, the minimum disclosure requirements (MDRs) on policies (MDR-P), actions (MDR-A), targets (MDR-T) and metrics (MDR-M) required under ESRS 2 shall also be applied. The required information shall be presented in the section with the related topic, i.e. in the section illustrated here.

Governance information

4.1 Business conduct



The required topical information in the disclosure requirement (DR) related to ESRS 2 IRO-1 in ESRS G1 is mandatory to disclose and shall be reported alongside ESRS 2 IRO-1 in the “General information” section. The DR is therefore not illustrated here.



The required topical information in the DR related to ESRS 2 GOV-1 in ESRS G1 shall be reported alongside ESRS 2 GOV-1 in the “General information” section, if the sustainability topic is deemed to be material. The DR is therefore not illustrated here.

Business conduct

ESRS G1 Business conduct covers the following DRs to be disclosed in the “Governance information” section, if the sustainability topic is deemed to be material:

- G1-1 Corporate culture and business conduct policies and corporate culture
- G1-2 Management of relationships with suppliers;
- G1-3 Prevention and detection of corruption and bribery;
- G1-4 Confirmed incidents of corruption or bribery;
- G1-5 Political influence and lobbying activities;
- G1-6 Payment practices.

ESRS G1 Appendix A *Application Requirements* contains tables which the company may apply to present the requested information, eg. for ESRS G1-3 Prevention and detection of corruption and bribery (AR8).

Appendices

- Appendix 1: Abbreviations
- Appendix 2: Qualitative characteristics of information
- Appendix 3: Flowchart for determining disclosures under ESRS
- Appendix 4: Transitional provisions
- Appendix 5: Incorporation by reference
- Appendix 6: Regulatory overview links

Appendix 1 | Abbreviations

AR	Application requirement
DP	Datapoint
DR	Disclosure requirement
IRO	Impact, risks and opportunities
MDR	Minimum disclosure requirement
MDR-A	Minimum disclosure requirement regarding actions
MDR-M	Minimum disclosure requirement regarding metrics
MDR-P	Minimum disclosure requirement regarding policies
MDR-T	Minimum disclosure requirement regarding targets

Appendix 2 | Qualitative characteristics of information

When preparing the sustainability statement, management shall apply:

The fundamental qualitative characteristics of information

- **Relevance** refers to its capacity to influence user decisions. It encompasses predictive value, confirmatory value, and materiality, even if some users choose not to utilize it or are already aware of it from other sources.
- **Faithful representation** ensures that information accurately and neutrally portrays relevant phenomena, encompassing completeness, neutrality, and accuracy.

The enhancing qualitative characteristics of information

- **Comparability** means that it can be compared across different periods and with information from other companies, especially those in similar industries. It is not about uniformity, but rather ensuring that similar components look alike and dissimilar components look different.

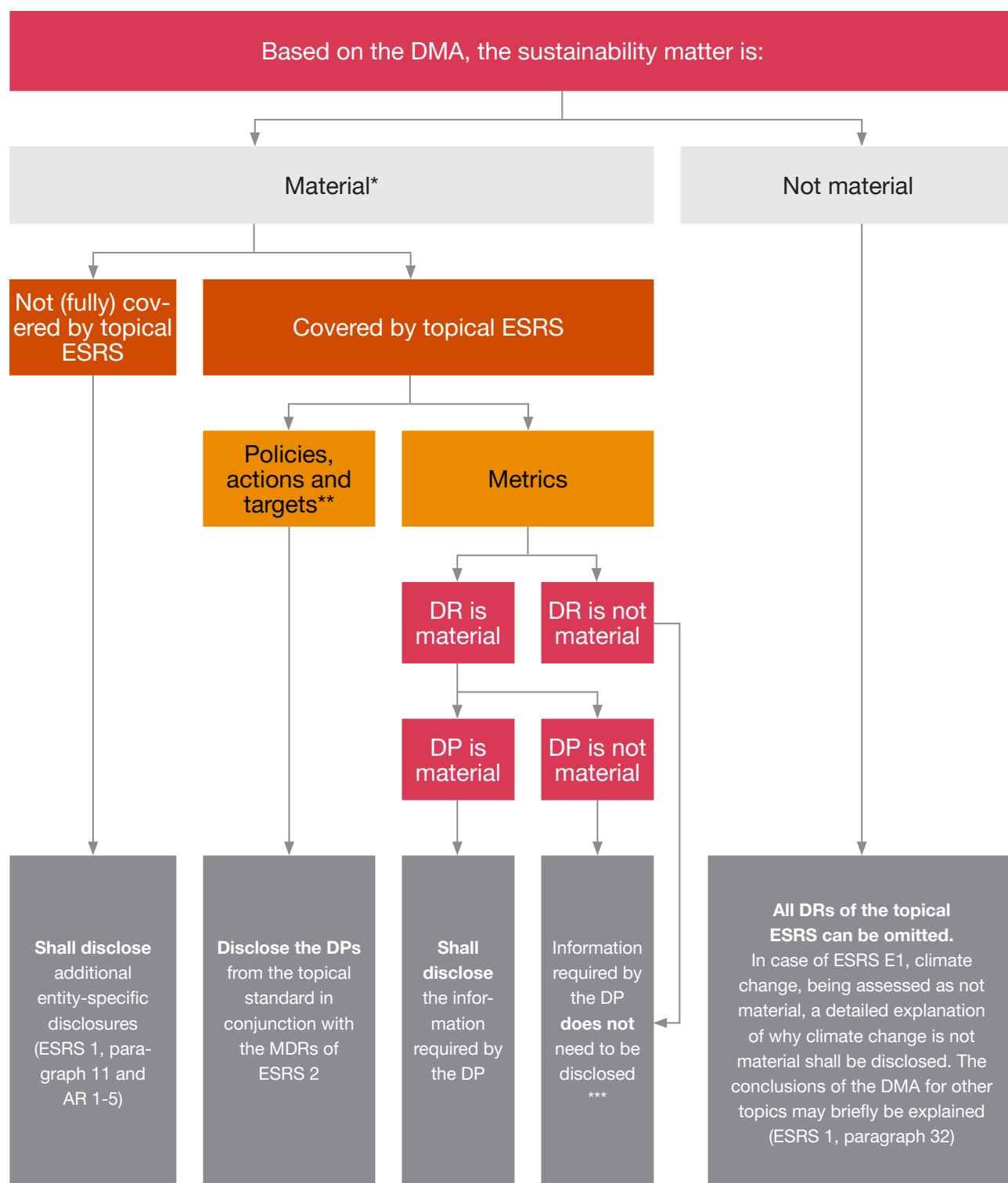
- **Verifiability** ensures that information is complete, neutral, and accurate. It means that various knowledgeable and independent observers could reach consensus, although not necessarily complete agreement, that a particular depiction is a faithful representation. Sustainability information enhances verifiability by including corroborative information, disclosing inputs and calculation methods, and involving administrative and management bodies in review and agreement.

- **Understandability** means that it should be clear and concise, enabling any reasonably knowledgeable user to readily comprehend the communicated information.

Please refer to ESRS 1 Appendix B *Qualitative characteristics of information*, for more information.

Appendix 3 | Flowchart for determining disclosures under ESRS

Applying “materiality of information”



*) A matter is material, if its materiality is above the agreed double materiality threshold for the company/group.

NB: a relevant or interesting topic does not imply that it is material.

**) If policies have not been adopted, actions not implemented or targets not set related to the matter, this shall be disclosed to be the case, together with the reason why. A timeframe in which these will be in place may be reported (ESRS 2 paragraph 62 and 72).

***) If information prescribed by a DP that derives from other EU legislation (see ESRS 2, Appendix B) is omitted, it shall explicitly be stated that the information is “not material” (ESRS 1, paragraph 35).

Appendix 4 | Transitional provisions

Entity-specific disclosures

When defining its entity-specific disclosures, management may adopt transitional measures for their preparation in the **first 3 annual sustainability statements** (e.g. apply entity-specific disclosures from prior periods and cover sustainability matters that are material for the company in its sector(s), using available best practice and/or available frameworks or reporting standards).

Value chain

For the first 3 years:

If information regarding the value chain is not available, management shall explain:

- The efforts made to obtain the information;
- The reasons why this information could not be obtained, and;
- The plans to obtain such information in the future.

Information may be limited to available inhouse information when applying ESRS 2 and disclosure requirements (DRs) on policies, actions and targets in topical standards.

When disclosing metrics, value chain information is not required, except for datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B *List of datapoints in cross-cutting and topical standards that derive from other EU legislation*.

Comparative information

Presentation of comparative information may be deferred by **1 year**.

Phased-in DRs

Progressivity on specified DRs between **1 and 3 years**.

The table below shows an overview of phased-in DRs. The full list of phase-in provisions, hereby the phased-in DRs from ESRS 2, is included in ESRS 1 Appendix C *List of phased-in Disclosure Requirements*.

Overview of phased-in DRs

Standard	Disclosure Requirement	For all companies	For companies and groups with ≤ 750 employees	
			Year 1	Year 2
ESRS E1-E5	Anticipated financial effects	Year 1: may be omitted Year 1-3: qualitative information only*		
ESRS E1	Datapoints on scope 3 and total GHG emissions		May be omitted	
ESRS E4	All disclosure requirements		May be omitted**	May be omitted**
ESRS S1	Selected disclosure requirements and datapoints	Year 1: may be omitted		
ESRS S1	All disclosure requirements		May be omitted**	
ESRS S2-S4	All disclosure requirements		May be omitted**	May be omitted**

See ESRS 2 BP-2 for disclosures regarding transitional provisions.

*) With limited exceptions and for E1 only if it is impracticable to prepare quantitative disclosures.

**) The sustainability matters covered by the ESRS are still to be included in the materiality assessment. A brief description of any time-bound targets, policies, and actions as well as the disclosure of relevant metrics is still required.

Appendix 5 | Incorporation by reference

A company may incorporate information by reference to the documents, or part of the documents, listed below, provided that the disclosures incorporated by reference:

- Constitute a separate element of information and are clearly identified in the document concerned as addressing the relevant disclosure requirement (DR), or the relevant specific datapoint (DP) prescribed by a DR;
- Are published before or at the same time as the management report;
- Are in the same language as the sustainability statement;
- Are subject to at least the same level of assurance as the sustainability statement, and;
- Meet the same technical digitalisation requirements as the sustainability statement.

Provided that the above conditions are met, information prescribed by a DR of an ESRS, including a specific DP prescribed by a DR, may be incorporated in the sustainability statement by reference to:

- Another section of the management report;
- The financial statements;
- The corporate governance statement (if not part of the management report);
- The remuneration report required by the Norwegian Public Limited Liability Act section 6-16b on the exercise of certain rights of shareholders;
- The universal registration document, as referred to in [Article 9 of Regulation \(EU\) 2017/1129 of the European Parliament and of the Council](#) on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and;
- [Public disclosures under Regulation \(EU\) No 575/2013 of the European Parliament and of the Council](#) (Pillar 3 disclosures). If the undertaking incorporates by reference information from Pillar 3 disclosures, it shall ensure that the information matches the scope of consolidation used for the sustainability statement by complementing the incorporated information with additional elements as necessary.

See ESRS 2 BP-2 for additional disclosures regarding incorporation by reference.

Appendix 6 | Regulatory overview links

Corporate Sustainability Reporting Directive

[CSRD – Official Journal of the EU](#)

[ESRS – Official Journal of the EU](#)

[EFRAG IG 1: Materiality assessment implementation guidance \(31 May 2024\)](#)

[EFRAG IG 2: Value chain implementation guidance \(31 May 2024\)](#)

[EFRAG IG 3: Detailed ESRS datapoints implementation guidance and accompanying explanatory note \(31 May 2024\)](#)

[Norwegian implementation of CSRD \(Lovvedtak 80 \(2023-2024\) Vedtak til lov om endringer i regnskapsloven mv. \(bærekraftsrapportering\)\)](#)

Taxonomy Regulation

[Regulation \(EU\) 2020/852 of the European Parliament and the Council – Official Journal of the EU](#)

[European Commission website on implementing and delegated acts for Regulation \(EU\) 2020/852 \(Taxonomy Regulation\)](#)

[EU Taxonomy Navigator](#)

[Norwegian Ministry of Finance website and guidance \(in Norwegian\)](#)

Disclaimer

What this guidebook is

The overall aim of this guidebook is to serve as inspiration for preparers of the sustainability statement and provide guidance to make sure that disclosures are located in the right section of the sustainability statement. The guidebook provides high-level illustrative overviews of the sustainability statement structure.

What this guidebook is not

The guidebook does not present a complete ESRS sustainability statement and does not constitute any form of template or checklist for completeness of a sustainability statement. It focuses on the overall design and on providing certain examples for inspirational purposes. This guidebook does not cover every aspect of a full ESRS sustainability statement, and therefore not all of the qualitative characteristics defined by ESRS are met.

The requirements under CSRD and ESRS must be interpreted by each reporting company depending on its size, material topics, complexity and the nature of the business. The chosen disclosures are management's responsibility.

Mandatory disclosures

The guidebook focuses on the mandatory disclosure requirements ("shall report") of ESRS and does not cover sector-specific disclosures or entity-specific disclosures in the form of supporting commentary.

First year-application

This guidebook focuses on first-year application and does not cover disclosures covered by transitional provisions as well as phased-in disclosure requirements (e.g. no disclosures on anticipated financial effects are covered except for supporting commentary).

Ongoing developments within the sustainability reporting field

The Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) include terms and criteria that are subject to considerable uncertainties of interpretation. The field is dynamic, and the interpretation and presentation of disclosure requirements will require adjustments over time.

Digital tagging

According to CSRD, a reporting company must also apply digital reporting, marking up the report applying a certain taxonomy, and submit the sustainability statement in digital format. At the time of publication of this guidebook, it is still unclear when guidelines and legal requirements for digital reporting will be available. Thus, this guidebook does not contain any examples or guidelines on how to approach the digital reporting aspect.

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