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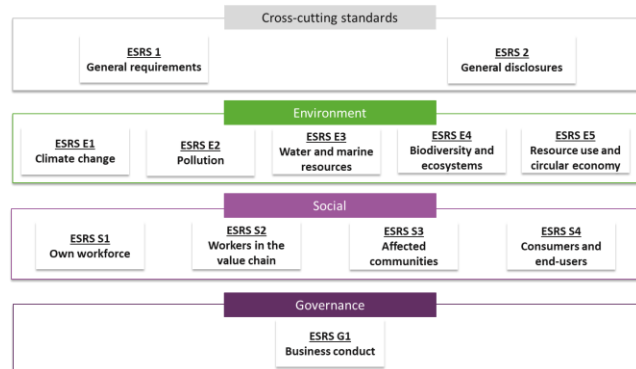
Setting the Scene: EMAS and the CSRD

DI Monika Brom, Environment Agency Austria and EFRAG SRB Member

The ESRS Universe

„ESRS Set 1“

[Commission Delegated Regulation \(EU\) 2023/2772](#)



SME reporting standards



EFRAG, 2024

LSME delivery to EC by mid Nov. 2024
VSME delivery to EC by Jan. 2025

Sustainability reporting standards for non-EU undertakings that fall under the CSRD

Delivery to EC by mid Nov. 2025

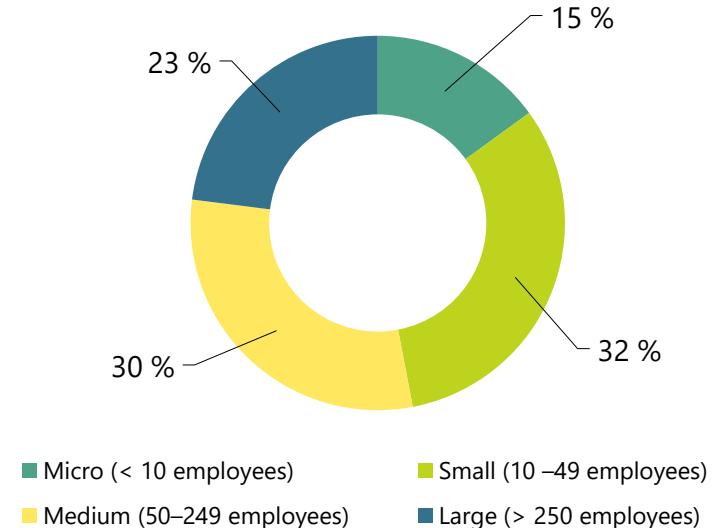
Sector specific ESRS

Delivery to EC by mid Nov. 2025

The ESRS SME standards and their relevance in the context of EMAS

- EMAS companies are part of value chains whether they are affected directly from the CSRD or not
→ requests from large companies
- EMAS companies might need access to finance
→ SME standards will help satisfy data demands from lenders/credit providers and investors
- EMAS provides verified environmental data incl. assurance and should be considered to the greatest extent possible
- Working group between EFRAG and DG ENV, involvement of German UBA and our agency
→ Better Consideration of EMAS in VSME standard, Comparison Table between EMAS and SET 1 of ESRS

Size Distribution of EMAS Companies



EMAS – Consideration in the CSR Directive (EU) 2022/2464

(41)

... **Standards should take account** of Union environmental law, **including** Regulation (EC) No 1221/2009 of the European Parliament and of the Council ...

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Art. 29b

When adopting delegated acts pursuant to paragraph 1, the Commission shall, to the greatest extent possible, take account of:

...

(i) Regulation (EC) No 1221/2009 of the European Parliament and of the Council;

ERS (Set 1) and EMAS

Direct Reference to EMAS

- Para 121 ESRS 1 (**incorporation by reference**)
- The **ESRS E4 DR E4-5** Pressure and impact metrics related to biodiversity and ecosystems change (AR 34) is compatible with EMAS Annex IV, C, 2 (v).

Possible overlaps with EMAS

ESRS E1

- ESRS E1-2 on climate-related **policies** with Annex IV B. b) and g) of EMAS III;
- ESRS E1-3 on **action plans** in relation to Annex IV B. d); and
- ESRS E1-4 on **climate-related targets** in relation to Annex IV B. d).
- ESRS E1-5 on **energy consumption**,
- ESRS E1-6 on **GHG emissions** in relation to Annex IV, C.2. c) (i) and (vi);

} Similar to Env.programme acc. to EMAS

ERS (Set 1) and EMAS

ESRS E2

- E2-1 on **policies** related to pollution is compatible with Annex II Part A - A.2 and Annex IV B. (b)
- E2-2 and E2-3 on **targets and action plans** are compatible with Annex II Part A -A.3.3 and Annex IV B. (d)
- E2-4 on **emissions of air pollutants** (par. 30 a) is compatible with the EMAS regulation's core environmental performance indicators emissions Annex IV, C. 2. (vi) and Annex IV, C. 1. (c)

ESRS E3

- E3-1 on **policies** related to water is compatible with Annex II Part A - A.2 and Annex IV B. (b)
- E3-2 and E3-3 on **targets and action plans** are compatible with Annex II Part A -A.3.3 and Annex IV B. (d)
- E3-4 on **water consumption** is compatible with the EMAS regulation's core environmental performance indicators on water Annex IV, C. 2. (iii)

Policies described under the Disclosure Requirements E2-E5 may be integrated in broader environmental or sustainability policies covering different subtopics (see E2-1 AR 10; E3-1 AR 16; E4-2 AR 11; E5-1 AR 8)

ERS (Set 1) and EMAS

ESRS E4

- E4-2 **Policies** related to biodiversity and ecosystems is compatible with Annex II Part A - A.2 and Annex IV B. (b)
- E4-3 and E4-4 on **targets and action plans** are compatible with Annex II Part A -A.3.3 and Annex IV B. (d)
- E4-5 Pressure and impact **metrics** related to biodiversity and ecosystems change (AR 34) is compatible with EMAS Annex IV, C, 2c (v).

ESRS E5

- E5-1: **Policies** related to resource use and circular economy
- E5-2: **Actions** and **resources** in relation to resource use and circular economy
- E5-3: **Targets** related to resource use and circular economy
- E5-5 on waste generation (par. 37) is compatible with the EMAS regulation's core environmental performance indicators on waste Annex IV, C. 2. (iv)

Reporting is not everything → (Management) system, might be necessary!!

EMAS and LSME Standard – Links to EMAS

General requirements

4.2 Estimation using sector averages and proxies, Article 66: If an **actor in the value chain** that does not prepare the mandatory ESRS sustainability statement nevertheless publishes sustainability information according to other standards or frameworks (such as any voluntary standard issued in the EU [VSME] or GRI Standards, or IFRS Sustainability Disclosures Standards, or **EMAS**), **the undertaking may rely on** and refer to information contained in that (sustainability) statement/**report** provided that such information is subject to at least **the same level of assurance as its sustainability statement** ...

8.1 Incorporation by reference, Article 113 (conditions: same time, same language, same level of assurance and digitization)

Environment E4

Land use, AR 64, E4: same provision as in Annex IV of EMAS Regulation



EMAS and materiality assessment under ESRS

- **Assessment of environmental aspects and impacts** under **EMAS** (cf. Annex I clause 4 and 5), **is largely in line with requirements for the material assessment for environmental impacts under the ESRS**, as it should cover normal operations, as well as incidents and emergencies, for past, current and future activities
- **ESRS** require to consider **actual (current) impacts and potential (future) impacts** over the **short-, medium- and long-term**. It shall also be **criteria-based**, including, the **potential harm or benefit to the environment**, the condition of the environment and the size, number, frequency and reversibility of the aspect or impact have to be considered.
- **ESRS** Materiality assessment criterion for actual impacts is **severity, composed of scale** (how grave the impact is), scope (how widespread it is) and **irremediable character**. For **potential impacts** → **likelihood of occurrence**.
- **Both EMAS and ESRS require to consider negative and positive impacts.**

Assurance – possible synergy to EMAS

- Provision of Split Audit and Independent Assurance Service Providers (IASPs) would be useful for using synergies
- Authority for IASPs (Accreditation Body as Authority could be possible)
- Equivalence between has to be ensured (Level of assurance in the context of EMAS is not clear expert opinion is necessary, German Study available: emas.de/fileadmin/user_upload/4-pub/Studie_CSRD-Pruefpflicht_Umweltgutachter.pdf)



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Next Steps

- Commenting period for VSME and LSME standard until 21st of May, EMAS-related questions have been included in the VSME consultation questionnaire Download (efrag.org) (Q.15 and Q.28) → broader acknowledgment of EMAS is still possible
- Discussion on EFRAG level after consultation period of VSME and LSME



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Contact & Information

DI Monika Brom

Head of Team Environmental Assessment and Transformation of the Economy

01/31304-5535

monika.brom@umweltbundesamt.at

 www.umweltbundesamt.at

 twitter.com/umwelt_at

 www.linkedin.com/company/umweltbundesamt

Shape the new European sustainability
reporting-standards for SMEs

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