

To: Corporate Reporting WG
From: ECOFIN department
cc: Long Term Investments & Sustainable Finance PG
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Reference: [Click or tap here to enter text.](#)
Subject: ESRS DA – Overview/ preliminary assessment of key changes

Summary

Following the adoption by the European Commission (EC) of the [Delegated Act](#) (DA) on the first set of European Sustainability Reporting Standards (ESRS) (see [FLASH-23-097](#)), members will find below a short overview of the key changes in the final DA. The previous joint Insurance Europe – CFO Forum key messages on the proposed ESRS delegated act can be found [here](#).

The EC published a set of Questions & Answers with the final Delegated Acts ([here](#)).

Members are invited to share any preliminary views they may have on the changes brought by the final ESRS DA and the overview below by contacting the secretariat (corporatereporting@insurancееurope.eu).

Next, the ESRS DA adopted by the EC will be formally transmitted in the second half of August to the European Parliament and to the Council for scrutiny (two months, extendable by a further two months). The European Parliament or the Council may reject the delegated act, but they cannot make amendments to it.

ESRS DA – Overview/preliminary assessment of key changes

■ Addressing the inconsistency issue between ESRS and SFDR Reporting

- If a company concludes that a datapoint deriving from the SFDR, the BMR or the CRR is not material, it will have to explicitly state that the datapoint in question is “not material” rather than just reporting no information. In addition, companies will have to provide a table with all such datapoints, indicating where they are to be found in its sustainability statement or stating “not material” as appropriate. This approach is in line with the industry proposals.

■ Requirement to consider PCAF standard part A “Financial Emissions” only

- As per Art 46, financial institutions shall “consider the GHG Accounting and Reporting Standard for the Financial Industry from the Partnership for Carbon Accounting Financial (PCAF), specifically part A “Financed Emissions” (version December 2022)”. The draft delegated act included a requirement to consider both part A “Financed Emissions” (version December 2022) and part C “Insurance-Associated Emissions” (version November 2022). This is a positive outcome, as we called for the application of the PCAF methodology should not be made mandatory for insured emissions.

■ Alignment of Financial materiality with ISSB

- The EC sought to further improve interoperability by aligning the definition of financial materiality in the ESRS with the ISSB, in line with industry proposals.
- For example, in the final text the requirement to consider information on material risks and opportunities has been limited to “*material risks and opportunities attributable to business relationships beyond the scope of consolidation*”, as opposed to “*material risks and opportunities attributable to business relationships with other undertakings or stakeholders*” in the draft ESRS.