

Including the Revised ESRS

Position Green

A complete guide to CSRD and ESRS

A word before you start

The Revised ESRS (Delegated Regulation 2026/1563) are here. They might change how you report, but not whether reporting matters. On 10 November 2026, the standards entered into force, and will become mandatory for financial years starting on or after 1 January 2027. So, how does this affect you?



The Revised ESRS are all about simplification. Mandatory data points are cut by more than 60%, the standards are shorter, and you get new reliefs: a top-down option for your double materiality assessment, an "undue cost or effort" test, more room for estimates in your value chain, and a cap on what you can demand from smaller suppliers.

But fewer data points come with sharper expectations. You must now show that your report gives a fair presentation of your material impacts, risks and opportunities, and of how they connect to your business model, strategy and value chain.

So how should you approach the Revised ESRS? Treat them as a chance to focus. Revisit your double materiality assessment with the new rules in hand, decide which option you will use for financial year 2026, and rebuild your data inventory around what is truly material. If you already reported under the first set of ESRS, much of your groundwork carries over. If you are new to CSRD, you start with a leaner, clearer rulebook than anyone before you. This guide walks you through it, step by step.

-Robin Orset Kålås, ESRS specialist at Position Green

How to use this guide

You don't need to read this guide from cover to cover. If you are new to CSRD, start at the beginning to build the full picture. If you already report under the first set of ESRS, jump to the chapters on Omnibus I and the Revised ESRS to see what has changed. Use the getting-started chapter to update your process. Each chapter stands on its own, so come back to it whenever a question comes up.

1 **The strategic upside** p. 4
How to turn reporting into business value.

2 **The CSRD timeline** p. 7
When the CSRD and ESRS apply to you.

3 **Omnibus I** p. 9
Who must report after the new thresholds, and what else changed.

4 **The Revised ESRS in summary** p. 11
The structure of the standards and the key changes to ESRS 1 and 2.

5 **Diving into the disclosures** p. 15
What each topical standard asks of you.

6 **Other frameworks** p. 19
How the ESRS connect to GRI, ISSB, TCFD and the EU Taxonomy.

7 **Getting started** p. 23
Practical steps from scoping and double materiality to your sustainability statement.



Introduction

The Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) are the backbone of EU sustainability reporting. Together they set a mandatory, unified structure for how you disclose your governance, strategy, material impacts, risks and opportunities and the metrics and targets behind them.

The CSRD applies to large companies operating in the EU and reaches non-EU groups with significant EU activity. It moves sustainability information from voluntary communication to standardized, assured reporting, placing it under scrutiny similar to your financial data.

This guide covers how both frameworks developed, what changed with the Omnibus I package and the Revised ESRS, when the rules apply to you, and what you need to do to comply. You will also find practical advice on finding data gaps, running your double materiality assessment, and preparing a sustainability statement that satisfies auditors, regulators and investors.

The aim is simple: to help you move from uncertainty to confidence, and to build reporting that supports both compliance and long-term value.

Beyond standards and disclosures: the strategic upside

The CSRD and ESRS bring detailed obligations, but their value reaches well beyond compliance. If you approach them strategically, the work of collecting data, updating governance and mapping your value chain will strengthen your performance, resilience and competitiveness.

Connecting CSRD to your strategy

The ESRS ask you to explain how sustainability matters shape your business model, strategy and resilience. Treat this as a strategic exercise rather than a narrative one, and you gain:

A clearer view

Your DMA surfaces impacts and financial issues that traditional risk management may miss.

Stronger governance

Your board and management build sustainability into planning, capital allocation and scenario analysis.

Alignment of sustainability and financial goals

Linking impacts and risks to performance helps you prioritize resources.

Better value chain visibility

Assessing upstream and downstream impacts reveals dependencies and supply chain vulnerabilities.

The risks of putting ESRS on hold

Delaying readiness doesn't remove the work; it compresses it into less time with more risk. Watch out for:



01 Data gaps that slow assurance

Without early groundwork, you hit bottlenecks before limited assurance, delaying your report and raising audit costs.



02 Strategic blind spots

A rushed DMA can miss financial risks, dependencies or supply chain issues.



03 Lower investor confidence

Investors expect robust, standardized information. Weak or late reporting can affect your access to capital.



04 Lost credibility

Large customers still need your data. The value chain cap limits what they can demand if you have 1,000 or fewer employees, but GHG data is excluded, and being able to supply data remains an advantage.

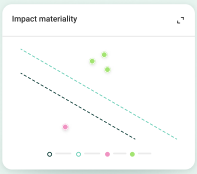


05 Operational inefficiency

Fragmented systems and ad hoc processes turn reporting into a recurring scramble.

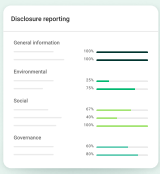
Where Position Green's customers see the upside

We know this for a fact: organizations already working with CSRD and ESRS consistently point to benefits beyond compliance:



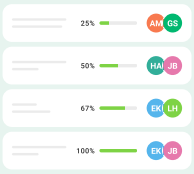
Sharper strategic insight

The DMA surfaces issues that risk, strategy or operations teams had overlooked.



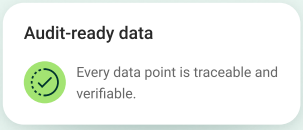
More reliable data for decisions

Central, audit-ready data improves performance management, forecasting and cost modelling.



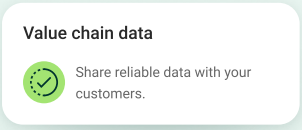
Better cross-functional coordination

Finance, sustainability, operations, HR, procurement and risk work together through clear roles and shared processes.



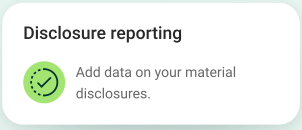
Stronger stakeholder trust

Investors, customers, regulators and employees respond well to transparent, verifiable information.



Competitive advantage in the value chain

Suppliers that can provide accurate data are in higher demand from customers meeting their own obligations.



Internal clarity and accountability

Standardized disclosures help you formalize policies, set realistic targets and track progress.

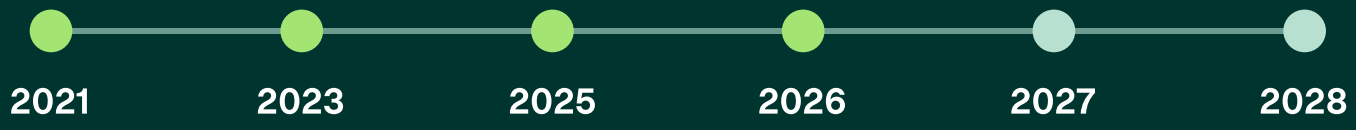
Tip

Approach the CSRD with a strategic lens, and you will see the benefits in your resilience, efficiency and stakeholder confidence, not only in your compliance.

The CSRD timeline

If you are a large EU company that hasn't reported yet, your first CSRD year is financial year 2027, reported in 2028.

The CSRD grew out of the Non-Financial Reporting Directive (NFRD), which first required large public-interest entities to disclose sustainability information. The CSRD widened that scope and tightened how data is reported, verified and presented. Since then, the "stop-the-clock" directive and Omnibus I have reshaped who reports and when.



What this means for Wave 1 and listed SMEs

Wave 1 companies that now fall below the new thresholds may be exempt for FY 2025 and FY 2026, depending on how your Member State applies this option. Listed SMEs, the former Wave 3, are no longer in mandatory scope.

The phased rollout now mostly applies to specific data points, through phase-ins, rather than to groups of companies. The expectations for transparency, accuracy and comparability apply from your first report, so early preparation still pays off.

The CSRD timeline at a glance

● Already happened ● Coming up

April 2021	The European Commission proposes the CSRD.
Q4 2022	Parliament and Council adopt the directive.
January 2023	The CSRD enters into force.
July 2023	The Commission adopts the first set of ESRS ("Set 1").
2025 (FY 2024)	Wave 1 companies, mostly those already under the NFRD, publish their first CSRD reports.
April 2025	The "stop-the-clock" directive postpones reporting for companies not yet reporting by two years.
July 2025	A "quick fix" delegated act extends phase-ins for Wave 1 reporters for FY 2025 and FY 2026.
18 March 2026	Omnibus I, Directive (EU) 2026/470, enters into force with new scope thresholds.
3 July 2026	The Commission adopts the Revised ESRS.
21 September 2026	The Revised ESRS are published as Delegated Regulation (EU) 2026/1563.
10 November 2026	The Revised ESRS enter into force.
FY 2026	You may use ESRS Set 1, the Revised ESRS, or Set 1 with selected reliefs from the Revised ESRS.
19 March 2027	Deadline for Member States to transpose Omnibus I.
FY 2027 (reported 2028)	The Revised ESRS become mandatory. Large EU companies not already reporting start.
FY 2028 (reported 2029)	In-scope non-EU parent companies start reporting.

Omnibus I: how it changes CSRD reporting

Omnibus I is no longer a proposal: it is law, and it cut the number of companies in scope by roughly 90%.

The Commission proposed the package in February 2025 to reduce administrative burden while keeping the CSRD's core goal of decision-useful sustainability information. Parliament and Council agreed to the text in December 2025, and Directive (EU) 2026/470 entered into force on 18 March 2026.

Omnibus I works on two levels that are easy to confuse. **Level 1** changes the directive: who must report. **Level 2** changes the standards: how you report.

Level 1: who must report

- **Higher thresholds.** You are in scope as an EU company or group if you exceed both 1,000 employees and €450 million net turnover.
- **Non-EU groups.** You are in scope if your group generates more than €450 million net turnover in the EU in each of the last two years and has an EU subsidiary or branch with more than €200 million net turnover.
- **Listed SMEs out.** Listed SMEs no longer have to report under the CSRD. They can use the voluntary standard instead.
- **Value chain cap.** You cannot require companies in your value chain with 1,000 or fewer employees to provide more than the voluntary standard asks for, even through contracts. Scope 1, 2 and 3 GHG data under E1 is excluded from the cap.
- **Assurance stays limited.** The planned move from limited to reasonable assurance has been removed.
- **New reliefs.** A holding-company exemption and relief for acquired or divested subsidiaries were added.

Level 2: how you report

- **Revised ESRS.** The Commission adopted simplified standards on 3 July 2026, based on EFRAG's technical advice from December 2025.
- **No sector-specific ESRS.** Mandatory sector standards have been dropped. You report on the cross-cutting and topical ESRS, plus entity-specific disclosures where needed.
- **Voluntary standard (VS).** Adopted alongside the Revised ESRS as Delegated Regulation (EU) 2026/1560, it gives companies outside the CSRD a simplified framework and sets the ceiling for the value chain cap.
- **Interoperability.** The Revised ESRS aim for closer alignment with ISSB standards and GRI, reducing duplication if you report globally.

What stays the same

Double materiality remains the cornerstone. Your sustainability information must still be transparent, comparable and reliable, backed by data investors and regulators can trust. Omnibus I narrows the focus; it doesn't lower the bar for those still in scope.

A summary

The Revised ESRS keep the same twelve standards but cut mandatory data points by more than 60%, and total data points by more than 70%. The text shrinks from 284 to 163 pages.

60%+
fewer mandatory data points

70%+
fewer data points in total

284 → 163
pages of standards text

The structure has two layers:

1. **Cross-cutting standards (ESRS 1 and ESRS 2)**
   The rules that apply to everyone, covering general requirements, governance, strategy and materiality.

2. **Topical standards (E1–E5, S1–S4, G1)**
   The environmental, social and governance topics in depth.

The third layer once planned, sector-specific standards, has been dropped.

ESRS 1 and ESRS 2

ESRS 1, General Requirements, sets the principles: double materiality, value chain boundaries, time horizons, estimates, and the link between your sustainability and financial reporting.

The Revised version adds several things you need to know:

- **Fair presentation.** Your information must be comparable, verifiable and understandable. Where the topical standards don't capture a material matter well enough, you add entity-specific information.
- **Material information only.** You may not report non-material disclosures, unless another law requires them, they come from a recognized framework such as GRI, or a specific user needs them. Any such information must be clearly labeled.
- **Undue cost or effort.** You use all reasonable and supportable information available at the reporting date without undue cost or effort, reassessed each year.
- **Value chain flexibility.** You can rely more on proxies and estimates. The old duty to make "reasonable efforts" to collect value chain data is gone.
- **Opportunities.** You report only opportunities you actively pursue or have built into your strategy, not general sector-level ones.
- **Presentation options.** You may add an executive summary and place EU Taxonomy disclosures in a separate appendix.

ESRS 2, General Disclosures, holds the information every in-scope company reports regardless of its materiality outcome:

- Governance: roles and responsibilities for sustainability oversight
- Strategy and business model, including resilience
- How you identify, assess and manage impacts, risks and opportunities
- The methods and criteria behind your double materiality assessment

Together, ESRS 1 and 2 form the backbone of every sustainability statement.

Topical standards: E, S and G

Category	Standards	Focus
Environmental	E1–E5	Climate change, pollution, water, biodiversity and ecosystems, resource use and circular economy
Social	S1–S4	Own workforce, workers in the value chain, affected communities, consumers and end users
Governance	G1	Business conduct

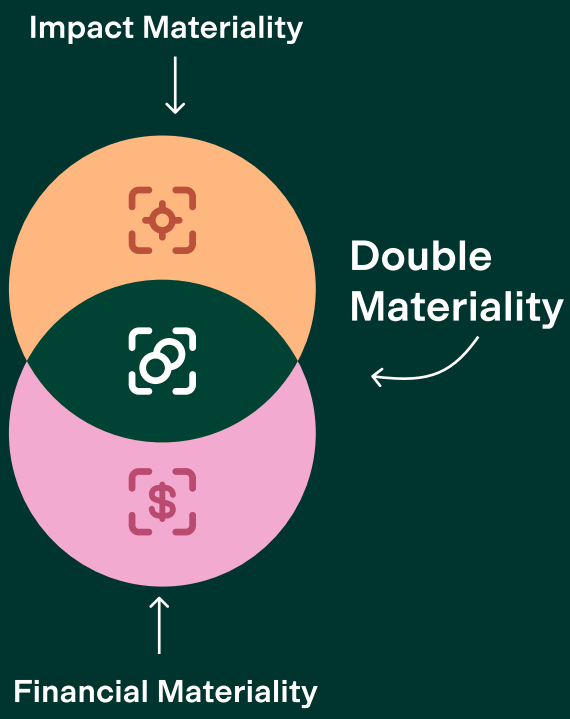
Each standard contains Disclosure Requirements (DRs) and data points that you report when the topic, and the information itself, is material to you.

Materiality as the entry point

Your double materiality assessment (DMA) decides what you report. It looks at two perspectives:

- Impact materiality: how your activities affect people and the environment.
- Financial materiality: how sustainability matters create or could create financial risks or opportunities for you.

A topic material under either perspective triggers the related disclosures. You then apply information materiality: you report the specific data points that are material to users of your report. Companies in different industries will report on different topics, but where a topic is material, it is reported with the same structure and rigor.



Alignment with other frameworks

The Revised ESRS were designed for interoperability with the ISSB's IFRS Sustainability Disclosure Standards, GRI, and EU legislation such as the EU Taxonomy. TCFD's recommendations live on through ISSB and ESRS E1. If you report under several frameworks, you can reuse much of your data.

What this means for you

The Revised ESRS are lighter, but not looser.

You get more flexibility and must justify your choices more clearly, including to your assurance provider. Used well, the standards give you a roadmap for building sustainability into your processes, governance and performance management.



Diving into the disclosures

Your sustainability statement is built from Disclosure Requirements (DRs) and the data points within them. Knowing how they fit together helps you plan the work, spot data needs and coordinate your teams.

How the disclosure system works

1. **Disclosure Requirements** are the high-level reporting obligations in each standard.
2. **Data points** are the specific pieces of information that fulfill them. Some are narrative, others are metrics, tables or methodologies.
3. **Information materiality** decides which data points you report within a material topic. Under the Revised ESRS, you leave out what isn't material.



Good to know

This gives your auditor a clear framework to assess completeness. EFRAG's list of data points for the Revised ESRS will be your practical checklist.

Cross-cutting disclosures (mandatory for everyone)

ESRS 2 applies to you whatever your DMA concludes. It covers:

- **Governance:** how your board and management oversee sustainability, and who is accountable.
- **Strategy and business model:** how sustainability matters affect your resilience, value creation and dependencies.
- **Impacts, risks and opportunities:** how you identify, assess and prioritize them, plus a list of the DRs you report, with references to where they sit in your statement.
- **Basis for preparation:** BP-1 explains how you prepared your statement. This includes your scope of consolidation, how far into your value chain you report, time horizons, estimates and sources of uncertainty, and any changes or errors since earlier periods. BP-2 now covers only how you use the phase-in provisions. If you reported under Set 1, note the change: most of what used to sit in BP-2 has moved to BP-1.

The Revised ESRS renumber and consolidate some of these requirements, so check your mapping against the new text rather than the 2023 codes (GOV-1 to GOV-5, SBM-1 to SBM-3, IRO-1 and IRO-2).

Environmental disclosures (E1–E5)

- **E1 Climate change:** your transition plan, Scope 1, 2 and 3 GHG emissions, mitigation and adaptation, energy use, carbon pricing and removals. If you have no transition plan with key features such as GHG reduction targets and 1.5°C compatibility, you must say so and say whether and when you expect to adopt one.
- **E2 Pollution:** pollutants to air, water and soil, and substances of concern.
- **E3 Water:** water withdrawal, consumption and discharge.
- **E4 Biodiversity and ecosystems:** impacts on species, habitats and land use, and dependencies on ecosystem services.
- **E5 Resource use and circular economy:** material use, waste, resource efficiency and circularity.

Environmental DRs combine quantitative metrics with narrative on policies, actions and targets.

Social disclosures (S1–S4)

- **S1 Own workforce**: composition, working conditions, training, health and safety, equal opportunities. Human rights incidents now cover only substantiated and verified cases, not mere complaints.
- **S2 Workers in the value chain:** labor practices and human rights conditions at suppliers and contractors.
- **S3 Affected communities:** impacts on local communities' rights, livelihoods and environment.
- **S4 Consumers and end users:** product safety, data protection and accessibility.

These reflect the EU's focus on human rights and responsible value chains, linked to the Corporate Sustainability Due Diligence Directive (CSDDD). Omnibus I narrowed CSDDD to companies with more than 5,000 employees and €1.5 billion turnover, with compliance from July 2029.

Governance disclosures (G1)

G1 covers business conduct: anti-corruption and anti-bribery, whistleblowing, political engagement and lobbying, payment practices, and corporate culture. You show how you ensure ethical conduct across your activities and relationships.

Financial effects

For material risks and opportunities, you disclose current and anticipated financial effects. If you start reporting from FY 2027, you may omit anticipated financial effects in your first two years and the quantitative part for your first four years.

Why data point traceability matters

Each data point must be traceable. Be ready to show:

1. Where the information came from
2. How it was calculated or collected
3. Which systems were used
4. How it can be verified

Limited assurance makes this non-negotiable, and it pushes you away from narrative-led reporting toward robust processes.

How to work through the disclosures efficiently

1. Complete your DMA to decide which topical DRs apply.
2. Map each applicable DR and data point to a data owner and system.
3. Identify gaps where data or methodologies are missing.
4. Build workflows that make your disclosures consistent, auditable and repeatable.

How the ESRS relate to other frameworks

If you already report under GRI, ISSB, TCFD or the EU Taxonomy, much of the ESRS will feel familiar. The standards were built to align with these frameworks, and the revision strengthened that interoperability. Knowing where they overlap helps you avoid duplicate work and reuse existing processes.









ESRS and GRI

The ESRS sit close to the GRI Standards, especially on impacts, stakeholder engagement and materiality. Both focus on impacts on people and the environment, use similar definitions of impact materiality, include detailed social and human rights disclosures, and encourage value chain reporting.

If you report with GRI, you will find strong overlap in social and governance areas. The ESRS go further with structured requirements, digital reporting and assurance. The Revised ESRS also explicitly let you include non-material information drawn from frameworks such as GRI, as long as you label it clearly.

ESRS and ISSB

The ESRS and the ISSB's IFRS Sustainability Disclosure Standards share key goals:

- Global consistency
- Decision-useful information for investors
- A clear link between sustainability and financial risk

The main difference is scope. ISSB covers financial materiality only, while ESRS covers both financial and impact materiality.

In practice:

- Many ESRS climate and risk requirements map cleanly to ISSB.
- ESRS disclosures are broader because of double materiality.
- You can reuse much of your climate and governance data across both.

The Revised ESRS borrow ISSB concepts directly, such as the "undue cost or effort" relief, making it easier for global groups to report under both.

ESRS and TCFD

The TCFD disbanded in 2023 after its recommendations were absorbed into the ISSB standards. Its structure lives on in ESRS E1 and the governance and strategy disclosures:

- Governance of climate-related risks
- Strategy and scenario analysis
- Risk management processes
- Metrics and targets, including GHG emissions



If you have reported along TCFD lines, these components translate directly, though the ESRS add environmental, social and value chain topics.

ESRS and the EU Taxonomy

The ESRS and the EU Taxonomy work together. You disclose Taxonomy KPIs (turnover, CapEx, OpEx) as part of your sustainability statement, and many ESRS disclosures supply the information behind them.

Under the Revised ESRS, you may present Taxonomy disclosures in a separate appendix to keep your statement easier to navigate.

Streamlining overlapping frameworks

Use this as your checklist when you report under more than one framework:

- [ ] Make ESRS your primary compliance framework.
- [ ] Map ESRS data points to GRI, ISSB and the Taxonomy to find overlaps. The ESRS knowledge hub is a good reference.
- [ ] Use consolidated data systems so you collect information once and reuse it.
- [ ] Align governance and risk processes so sustainability insights feed into financial and strategic decisions.

Good news

You may find that your existing reporting already covers much of what the ESRS ask. Then the job is structuring, verifying and extending your disclosures, not starting from scratch.

Getting started

The hardest part is often knowing where to begin. The good news: ESRS reporting follows a clear logic. Your starting point isn't the disclosures themselves, but a few foundational questions that decide how the ESRS apply to you. Work through the steps below before you collect data or draft your statement.

1 Scope | 2 DMA | 3 Data gaps | 4 Software | 5 Statement

Step 1 of 5

In scope or not in scope? That is the question

First, confirm whether the CSRD applies to you and when your first reporting year starts. After Omnibus I, you are in scope if:

- ☐ **You are an EU company or group** exceeding **both** 1,000 employees **and** €450 million net turnover.
- ☐ **You are a non-EU group** with more than €450 million net turnover in the EU in each of the last two years, **and** an EU subsidiary or branch with more than €200 million net turnover.

Listed SMEs are no longer in mandatory scope. If you reported as a Wave 1 company but now fall below the thresholds, check how your Member State has transposed the transitional exemption for FY 2025 and FY 2026; don't assume it applies automatically.



Tip

If you are in scope and reporting on FY 2026, also decide which option you will use: ESRS Set 1, the Revised ESRS, or Set 1 with selected reliefs from the Revised standards. Whichever you choose, you must state it in your sustainability statement.

If you fall out of scope, the voluntary standard gives you a simpler way to answer customer and investor data requests.

Step 2 of 5

The double materiality assessment

Your DMA determines everything that follows. The Revised ESRS give you new options and clearer rules:

- [ ] **Top-down or bottom-up.** You may start from your business model, sectors, geographies and value chain to identify the most evident material topics, use the traditional bottom-up approach, or combine both.
- [ ] **Annual check.** Each year, consider whether significant changes in your activities, structure, business relationships, methods or external environment affect your conclusions. If they do, update the DMA.
- [ ] **Mitigation.** For actual negative impacts, don't factor in remediation carried out during the period. For potential impacts, count only prevention and mitigation measures that are implemented and can reasonably be assumed to work.
- [ ] **Positive impacts.** Assess them without netting against negative ones. Mitigating harm or complying with the law doesn't count as a positive impact.
- [ ] **Acquisitions.** You may defer including a newly acquired subsidiary until the following reporting period.



Tip

If you already have a DMA under Set 1, you don't need to start over. Review it against these rules and document the changes.

Step 3 of 5

Lost and found: finding where your data is missing

With your material topics defined, work out what information you already have, what you need, and where the gaps are. This is operational work involving sustainability, finance, HR, operations, procurement and risk. Focus on:

- [ ] Which ESRS data points you already capture through GRI, CDP or other reporting
- [ ] The quality, completeness and traceability of your data
- [ ] Whether your systems can support assurance
- [ ] Who owns each dataset
- [ ] Your value chain visibility, especially Scope 3 and social data, where you can now lean more on proxies and estimates



Tip

Remember that the Revised ESRS cut data points sharply. A gap analysis built on Set 1 may overstate what you need, so rerun it against the Revised standards.

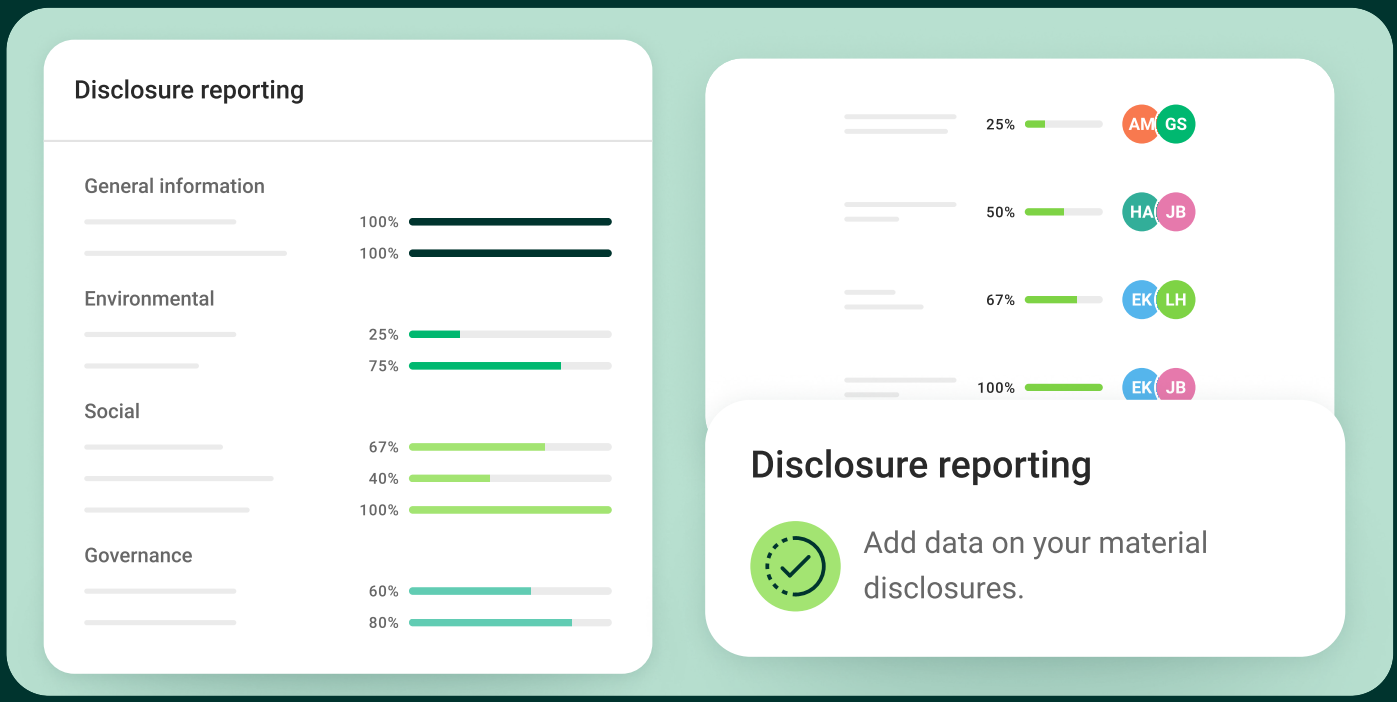
Step 4 of 5

Leveraging software

ESRS reporting needs digitized, auditable, centrally managed data, and spreadsheets rarely hold up. The right software helps you:

- [ ] Centralize data across departments and geographies
- [ ] Keep audit trails and traceability
- [ ] Manage disclosure templates
- [ ] Connect reported data to your DMA outcomes
- [ ] Prepare your statement in a machine-readable format
- [ ] Improve data quality and governance year after year

The goal is a repeatable, scalable process that reduces your workload each year.



Step 5 of 5

Preparing your sustainability statement

Your sustainability statement sits in your management report and is organized as:

- General information
- Environmental information
- Social information
- Governance information

The Revised ESRS give you more flexibility in how you structure it, including an optional executive summary and a separate appendix for EU Taxonomy disclosures. Start well before your deadline and use your DMA and data process to:

- [ ] Organize content in line with the ESRS structure
- [ ] Link narrative clearly to data points
- [ ] Include the ESRS 2 disclosures that are relevant to you
- [ ] Prepare your EU Taxonomy tables
- [ ] Reference where each reported DR appears

Writing a strong statement is both an art and a science, and many companies find it challenging without expert guidance. If you'd like to talk through what yours should contain, or how we can help you produce it, get in touch with our ESRS experts.



Robin Orset Kålås, ESRS specialist at Position Green

Make the Revised ESRS your competitive advantage

ESRS reporting is a strategic asset, not a compliance exercise. Standardized ESG data reduces investment risk, lowers your cost of capital and shows where your operations can run more efficiently.

How we help you report

Built for ESRS, from DMA to statement

Run your double materiality assessment, work from ready-made ESRS templates and produce an audit-ready sustainability statement.

AI-powered and human-tested

Upload documents and let AI pre-fill your ESRS data. Every suggestion is traceable and approval workflows stay in place.

ESRS experts on hand when you need one

Our in-house sustainability advisors can review your draft report and turn requirements into a clear structure.

Results our customers see

70%
faster ESRS reporting year on year

50%
less manual admin

0%
spreadsheet dependencies

100%
transparent audit trail

Next step

Put the Revised ESRS to work for your business

Visit positiongreen.com for more on ESRS reporting, or book a demo and we will walk you through the platform with your own reporting scope in mind.