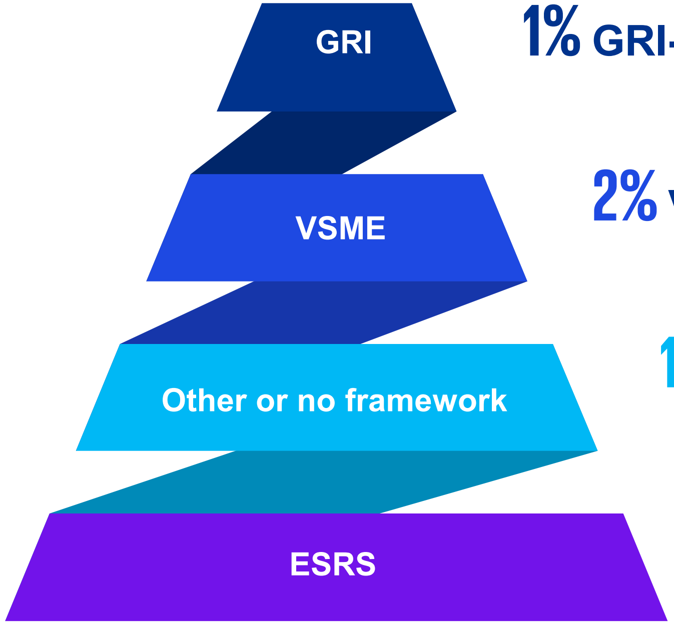
Latest updates from Efrag

Silje Bareksten
KPMG

Sustainability reporting amongst Norway's 100 largest companies

We have looked at the most recent sustainability reports for Norway's 100 largest companies, measured by revenue.
Majority of the reports relate to the 2025 financial year, with a limited number covering 2024.

29% of companies report on a voluntary basis.



1% GRI-framework

2% VSME

11% Other or no framework

15% ESRS

62%

Of the companies were subject to CSRD-reporting in the most recent reporting period.

Ministry of finance estimates that approximately **120-160 Norwegian companies will be subject to CSRD reporting** following Omnibus, compared to around 1200 companies previously.

9% Do not report on sustainability

The companies not reporting on sustainability include investment companies, companies with foreign ownership and companies subject to CSRD in the future.

From Ramp-Up to Consolidation: 2nd Year CSRD reports show streamlined transitions to future state reporting

The Sustainability Reporting Navigator, an academic benchmarking tool developed by the Universities of Cologne, Munich and Frankfurt, uses publicly available CSRD reports to gain insights into corporate non-financial reporting. The team has released an analysis of the first 100 CSRD reports for FY25.

Here is what you need to know:

Reports become more streamlined

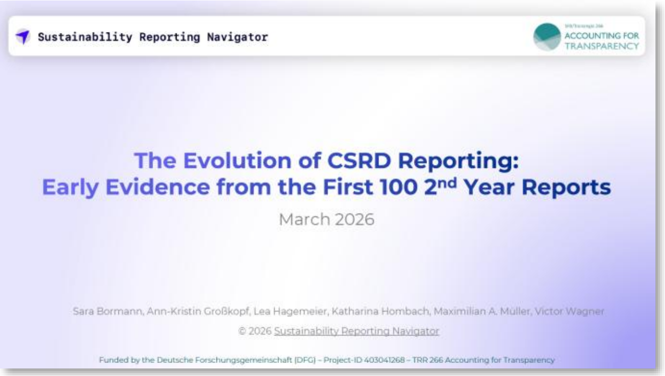
Less redundancy due to:

- **restructuring**
- **targeted** reporting
- **fewer** duplication

Short reports largely remain unchanged

Medium- and long-form reports are driving overall reductions in report length

Short	Medium	Long
-1 %	-8 %	-9 %


Sustainability Reporting Navigator
ACCOUNTING FOR TRANSPARENCY
The Evolution of CSRD Reporting:
Early Evidence from the First 100 2nd Year Reports
March 2026
Sara Bormann, Ann-Kristin Großkopf, Lea Hagemeier, Katharina Hombach, Maximilian A. Müller, Victor Wagner
© 2026 Sustainability Reporting Navigator
Funded by the Deutsche Forschungsgemeinschaft (DFG) – Project-ID 403041268 – TRR 266 Accounting for Transparency

↓10%

Volume reductions in topics other than Environment and Social

Restatements on the rise

Firms mention restatements more often with topical ESRS on **Climate Change (E1) and Own Workforce (S1) most** frequently **affected**

Common reasons

- Emissions methodology updates
- Data quality improvement
- Metric corrections
- EUT methodology updates

1/3 of companies have significantly restructured their reports

Companies decreased their reporting volume

Ø 7 % fewer pages
Ø 8 % fewer words

Source: *The Evolution of CSRD Reporting: Early Evidence from the first 100 2nd Year Reports. Sustainability Reporting Navigator (SRN).*

Reporting frameworks from Efrag

ESRS

CSRD-scope:

- >1000 employees
- > €450 million net annual turnover

- Wave 1 companies need to apply currently effective ESRS for FY25 reporting.
- These companies, along with Wave 2 reporters, can also start preparing now for the introduction of revised and simplified ESRS.

Voluntary standard

- Intended for entities that are not subject to reporting obligations under the CSRD and that do not have more than 1,000 employees

- VSME-standard with minor changes
- A practical, flexible approach tailored to non-listed SMEs

Objective is fairly presented information

Materiality as a general filter

- Under the **fair presentation principle**, companies need to report any material information. This includes entity-specific disclosures, which are required when applying ESRS is not sufficient to enable an understanding of their IROs.
- The **materiality of information** would be introduced as a general filter that applies to all disclosures (including ESRS 2) – i.e. moving away from any implied checklist approach.
- The fair presentation principle would apply to the **sustainability statement as a whole**, not to individual disclosures. New

Reporting scope and boundaries clarified

- Revised ESRS clarify that the reporting boundary would generally follow that for financial reporting.
- However, GHG emissions from using a leased asset would be attributed to the lessee's own operations. The lessor would consider the impact of leased assets as part of its downstream value chain.
- A similar provision would apply to IROs arising from assets held as part of an employee pension scheme.
- Companies would not be expected to report on impacts relating to assets managed on behalf of clients (e.g. asset management companies). New

Impact for companies

The fair presentation principle, together with fewer mandatory datapoints, may drive more entity-specific disclosures.

This would require companies to exercise greater judgement in determining what information is material and relevant.

Clarified reporting boundaries, particularly regarding leased assets and pension schemes, may help companies better attribute IROs within their own operations vs value chains.

KPMG

Still double materiality, but streamlined

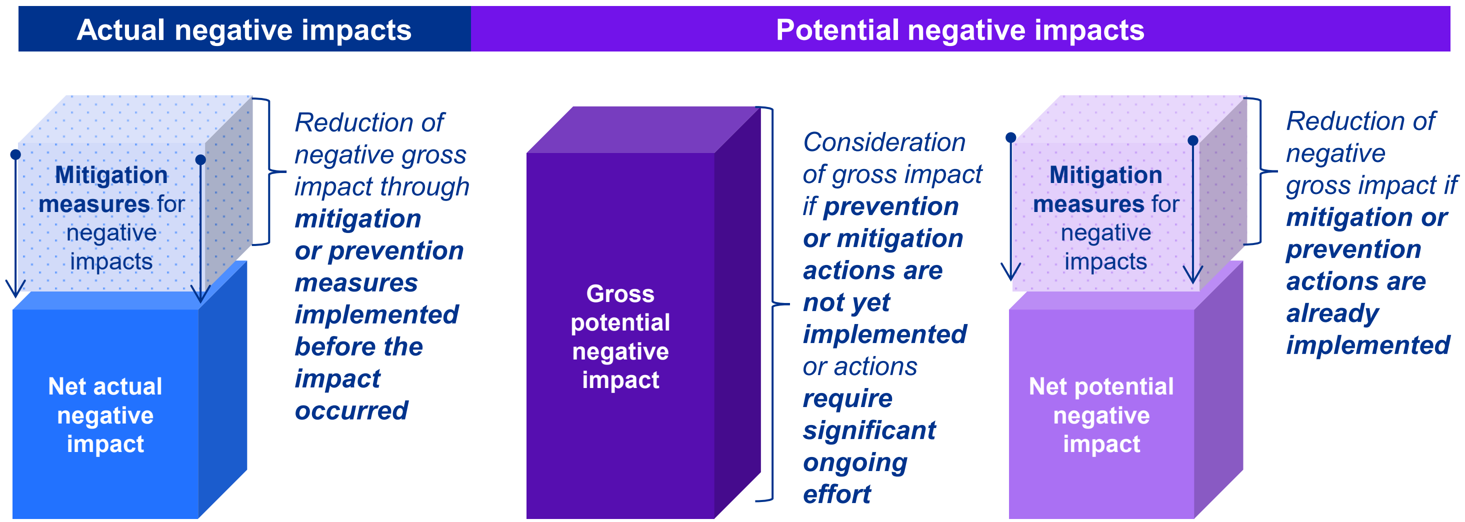
Top-down as an easier route

Assessment of severity/magnitude and likelihood only for those IROs which are not clearly material or immaterial

Topics to be reported related to material IROs

Gross vs. net impact

New provision may result in different outcomes of the DMA & additional material impacts to be reported



The DMA process, adjusted

A CONTEXT

- Entity scoping & reporting boundary
- Business model & value chain mapping
- Stakeholder identification
- ESRS topic list review

B IRO IDENTIFICATION

- Alt 1 - Top-Down: Screen topics relevant for business → identify IROs
- Alt 2 - Bottom-Up: Manual long list of IROs across full value chain
- IRO classification by type, time horizon, value chain location

Changes

NEW: Top-down option

C IRO ASSESSMENT

- Impact materiality: Severity
- (scale, scope, irremediability) × likelihood
- Financial materiality: Financial Magnitude × likelihood
- Company-specific thresholds; qualitative assessment accepted
- Validation by management & stakeholders

Changes

NEW: Top-down topic-level shortcut – Skip granular IRO assessment for clear cases

D REPORTING

- Map material IROs to ESRS disclosure requirements & datapoints
- Assess datapoint materiality (decision-usefulness test)
- Disclose DMA process (IRO-1) and material IROs (IRO-2)
- Annual DMA trigger review (not full update)

Changes

NEW: Information materiality test – only report what is decision-useful to users

ESRS 2 remains the foundation

Disclosures consolidated and streamlined

- Many general disclosures in topic-specific standards would become part of ESRS 2 to avoid repetition. Additional topic-specific PAT requirements would remain in the relevant standards.
- MDRs would become GDRs, emphasising that they are subject to materiality.
- Many granular narrative requirements would be deleted – e.g. contextual information for metrics.
- Application requirements would be streamlined and located under the related disclosure requirements.

General disclosure requirements in ESRS 2

Basis for preparation	Governance	Strategy	IRO management	MDRs becoming GDRs
General basis for preparation (BP-1)	Role of governing bodies (GOV-1)	Strategy, business model & value chain (SBM-1)	IRO identification & assessment process (IRO-1)	Policies (GDR-P)
Specific information (BP-2)	Incentive schemes (GOV-2)	Stakeholder consideration (SBM-2)	DMA outcome & material information (IRO-2)	Actions & resources (GDR-A)
	Due diligence (GOV-3)	Interaction of IROs and strategy (SBM-3)		Metrics (GDR-M)
	Interaction with risk management (GOV-4)			Targets (GDR-T)

Impact for companies

Consolidating general disclosures in ESRS 2 would be likely to reduce duplication and streamline reporting, helping companies to maintain consistency across the standards.

A principles-based approach and fewer detailed requirements may help companies to explain their sustainability-related context more clearly. However, it would also require them to exercise more judgement.

Connectivity enhanced

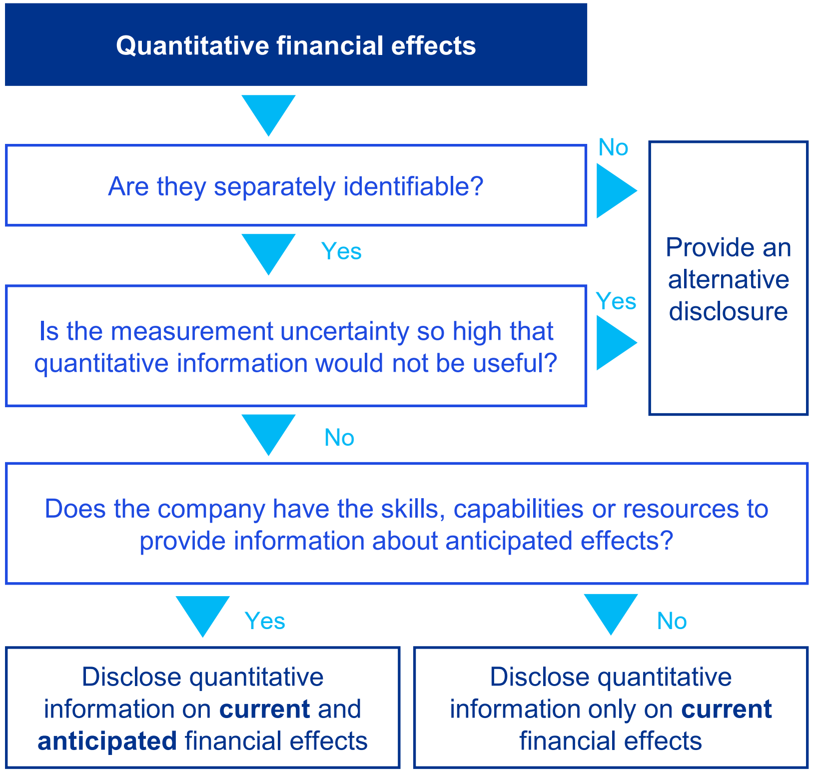
Core principle remains the same

- Companies would be required to explain connections both within the **sustainability statement** and between the sustainability and **financial statements**.

Increased interoperability in reporting financial effects

- Continue disclosing current and expected financial effects, aligned with IFRS Sustainability Disclosure Standards.

Proposed reliefs on omitting quantitative financial effects information

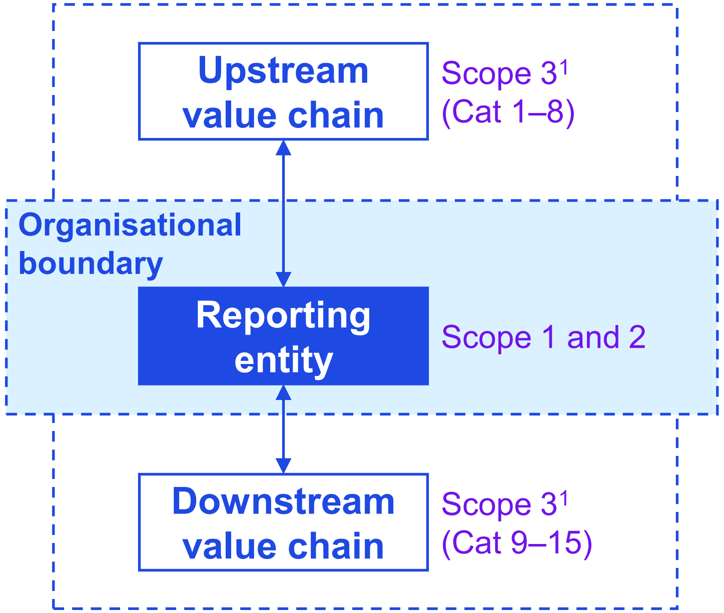


Impact for companies

No changes are proposed to the core principles regarding connectivity between the sustainability statement and financial reporting.

Reporting on anticipated financial effects would require the use of estimates. Updating these estimates when better information becomes available would not be considered as an error. New

Key climate disclosures clarified



1. GHG emissions for each significant Scope 3 category would continue to be disclosed, prioritising inputs and assumptions based on the characteristics of the data.

General principle remains the same

- Sustainability reporting follows the consolidated financial scope (financial control approach). For GHG emissions, equity share or operational control approaches may also be used.
- If applicable, disclose Scope 1 and 2 emissions split between the consolidated group and emissions outside the group perimeter. New

Transition plan disclosures clarified

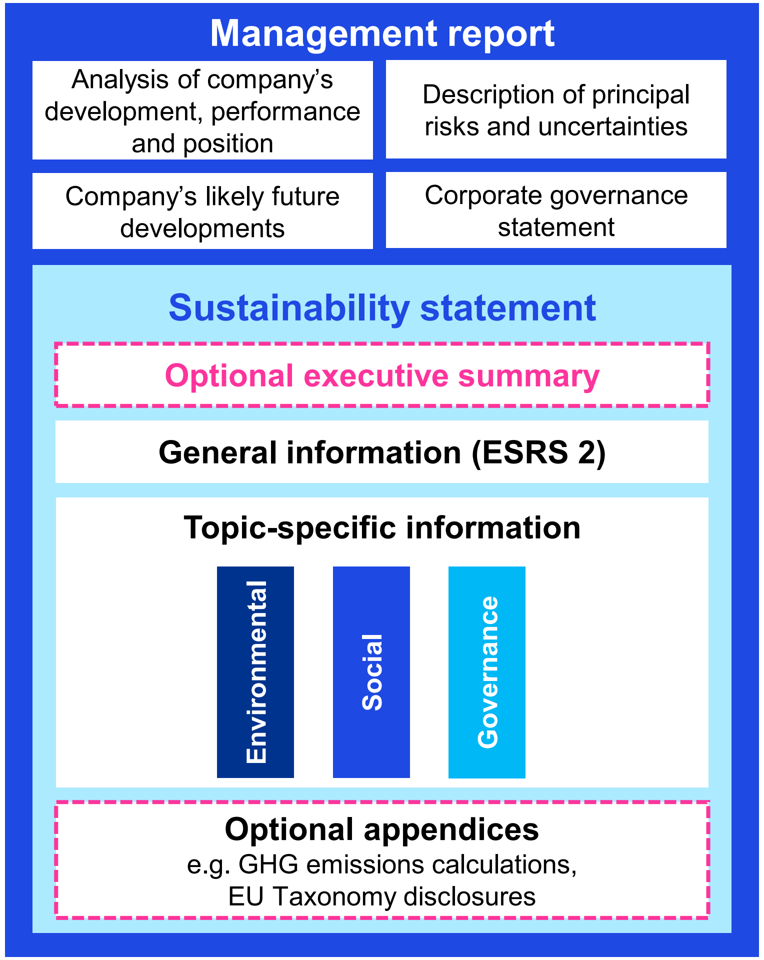
- If a transition plan exists, disclose key features, but not all management details, and scenario analysis is not required. New
- State whether targets align with 1.5°C; no need to update them every five years after 2030. New

Impact for companies

Companies may need to revise their approach to determining organisational boundaries for GHG emissions reporting to align with the GHG Protocol financial control approach.

Clarifying that scenario analysis is not required could reduce complexity in transition plan reporting.

More options to tailor the statement



Greater flexibility of layout

Companies would have the following options.

- Include an **executive summary** in the sustainability statement or locate it elsewhere and cross-reference.
- Provide disclosures about **PATMs in aggregate**, reflecting the level at which they are managed.
- Describe material IROs **alongside** the information about PATMs.

Present detailed calculations, information about non-material matters and EU Taxonomy disclosures in **dedicated sections** or **appendices**.

- EU Taxonomy disclosures were originally required to be in the environmental section and could run to many pages.
- Supplementary information stemming from other legislation or generally accepted frameworks (e.g. GRI) may be included, provided it is clearly referenced, faithfully represented and does not obscure material information.

Impact for companies

Increased flexibility in structuring the sustainability statement may enable companies to present information in a way that better reflects their business model and strategic priorities.

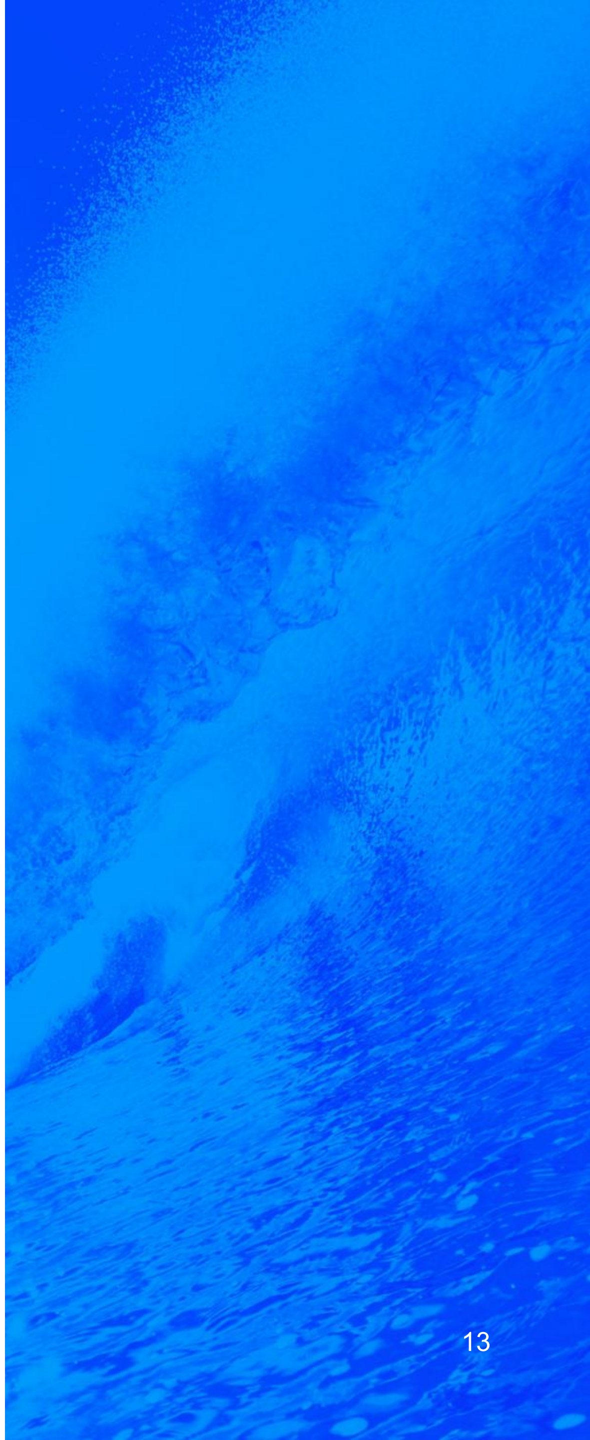
The inclusion of an executive summary and appendices may enhance clarity and make information more accessible for users.

Actions to take now

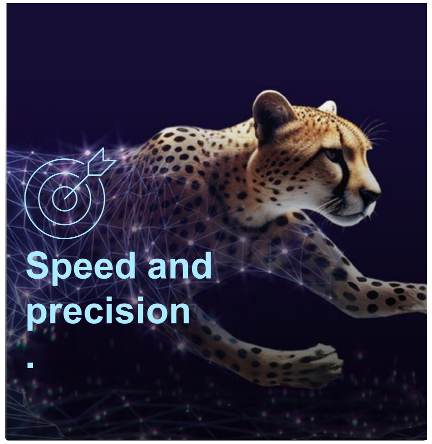
	Above threshold (>1,000 employees / €450m)	Below threshold (<1,000 employees / €450m)
Wave 1 companies	• Monitor the finalisation of the revised and simplified ESRS and consider early adoption from FY26. The revision is expected to reduce disclosure requirements significantly. • Define and integrate a clear overarching narrative in your reporting to strengthen credibility with investors and regulators. • Use an executive summary to emphasise the narrative of your disclosures. A structured opening section helps users navigate complex reports efficiently.	• Norway aims to exercises the option to exempt companies from mandatory reporting for FY26. • Compare the benefits of full reporting with the option to apply transition relief across all topic-specific standards. • Consider whether your stakeholders, including capital markets and value chain actors, might expect you to report on a voluntary basis under simplified ESRS.
Other companies	• Prepare to apply the revised and simplified standards for your FY27 report. Begin gap assessments now to avoid last-minute compliance pressure. • Start, or continue, to develop your DMA approach by benchmarking your sector or business model in published Wave 1 reports. • Assess whether transition relief and exemptions apply that could reduce initial reporting scope while the necessary processes are developed.	• Consider Voluntary Sustainability (VS) as a strategic starting point. Proactive disclosure can differentiate your organisation with clients, banks and investors ahead of any mandatory deadline. • Shape a consistent narrative for your sustainability disclosures from the start and connect your ESG data to business strategy. • Read our article for guidance on getting started with VS, which is based on the VSME.

Transition for Wave 2 companies

May omit	Years
E4, S2, S3, S4	2027 & 2028
Anticipated financial effect	2027
Quantitative information on anticipated financial effect	2027-2029
Quantitative information on substances of concern (SoC)	2027-2029
Information about substances of very high concern (SVHC)	2027
S1-6, S1-7 for own employees in non-EEA countries, S1-10, S1-11, S1-12, S1-13 datapoint 36 d & e and non-employees, and S1-14	2027



The evolving reporting landscape & how AI Transaction Scoring (AITS) assists risk and quality in both audit and esg assurance



Uses Artificial Intelligence (AI) and statistical methods to test 100% of the data.

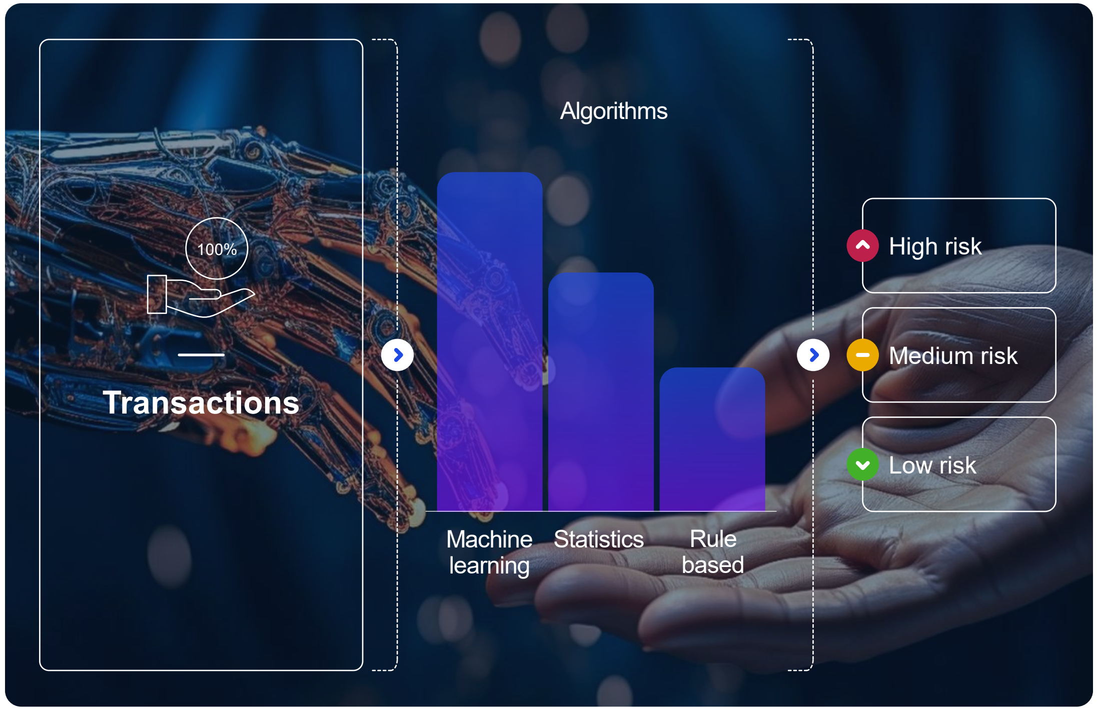
We load the entire company's accounts into AITS. By using a selection of algorithms, we obtain sufficient audit evidence for given transactions, and it also makes it possible to identify anomalous transactions (scored as having high or medium risk) where further testing is required. This enables more targeted testing.

By using artificial intelligence, the analysis performed is unique to your data. Transactions are classified based on their business processes, accounting habits, and using unsupervised machine learning that identifies deviations and weaknesses in routines.

With the help of AITS, we can identify patterns and deviations that otherwise would not have been captured in a traditional sampling method, providing deeper insight. Here we can give the business input on areas with risk, or areas where routines and processes can be made more efficient.

Advantages

Deeper insight, more meaningful discussion	Securing quality through next gen AI.	Efficiency through automation and increased focus.



equinor

CSRD Omnibus: what changes for Equinor

Kristiansand 09.06.26

Morten Haukaas
Vice President Finance and Control

Agenda

- **How the Omnibus proposals will effect Equinor's CSRD reporting**
- **What changes matter most**
- **Where reporting becomes easier**
- **What remains challenging**
- **Equinor Norwegian public consultation responses**

Implications for Equinor´s external CSRD story

- The Omnibus proposal makes CSRD reporting more feasible, especially through clearer boundaries and fewer topic-specific data points.
- Material complexity remains, however, particularly where disclosures still depend on judgement, estimation and assurance-ready evidence.
- The key message is that we can tell a clearer external story: reporting will become more practical, but execution will still be demanding.

- **The omnibus helps, but does not simplify everything:** Some reporting requirements ease, but significant complexity remains in key areas.
- **The main challenge is consistency in application:** There is still a need for clear boundaries, practical definitions, and proportionate assurance expectations.

Implications of the omnibus changes

- **What changes**
  - The omnibus narrows parts of the ESRS and reduces some disclosure depth, but it still needs to work for a complex, international and large listed company.
- **What improves**
  - The revised approach should ease delivery in selected areas, including more flexible greenhouse gas reporting boundaries, narrower topic disclosures and clearer thresholds in selected standards.
- **What still matters**
  - Where requirements remain open to broad assurance or supervisory interpretation, robust evidence, clear methodologies, and strong documentation are still needed

Where complexity remains

- **Financial effects**
    - Estimated effects still rely on changeable assumptions, and commercially sensitive inputs can be difficult to support consistently in external reporting.
- **Allocation methods**
    - Requirements may still need new methodologies and reconciliations outside core financial reporting, adding duplication and assurance complexity.
- **Fair presentation**
    - A binding fair presentation concept could reopen materiality and scoping decisions during reporting, assurance and supervisory review.

Why topic-specific ESRS issues remain challenging

- Pollutants
  - A tighter focus on primary microplastics is more workable, but there is still a need for reliable identification of relevant sources.
  - Pollutant reporting requires management judgement across diverse assets and sites, often in areas with limited guidance or clear standards
- Climate
  - Long-lived assets and transition choices make anticipated financial effects highly judgement-based over long time horizons.
  - Transition-plan disclosure is also sensitive where portfolio pathways and interim targets are not (fully) aligned with 1.5^{C} assumptions.
  - Achievability of a strict 1.5^{C} assumption (TotalEnergies)
- Operations
  - Global operations and multi-layered joint arrangements with partners and contractors increase complexity in boundary definition and challenge data quality and consolidation
  - Phase-ins reduce datapoint volume, but article-level reporting and human-rights case assessments still require new processes, methodologies and controls

Summary of Equinor's main positions and recommendations – hearing response June 3rd:

The five priority change requests

- **Anticipated financial effects**
  - remove mandatory quantitative estimates or make them voluntary/qualitative.
- **Environmental boundaries**
  - allow operational vs financial control flexibility for all environmental topics; clarify "own operations" vs GHG Protocol; add comparability guidance.
- **Human rights**
  - align with UNGP; keep severity-based approach; reconsider "substantiated incidents"; use "cause/contribute/directly linked to".
- **Pollution**
  - focus on material pollutants; allow central/activity-based scoping; clarify transfers to external treatment; avoid new value-chain obligations;
- **Resource use & circular economy**
  - use proportionality/best effort for traceability; clarify "secondary resources"; remove or make voluntary downstream-heavy metrics, with qualitative explanation of gaps/actions.

Equinor Norwegian public consultation responses

Consultation: Simplifications in sustainability reporting issued by Fin. dep

17 April

English as authoritative language

- Supports allowing signed annual reports and financial statements in English.
- Best fit for companies with international investors, listings, and reporting processes.
- One authoritative version reduces translation, control, and audit risk.

Other comments

- Align the Transparency Act with CSRD and CS3D.
- Preserve the ability to request sustainability information for due diligence and other purposes.

Consultation: NRS 16 issued by Norsk RegnskapsStiftelse (NRS)

12 June

One coherent board report

- Supports clearer identification of CSRD sustainability reporting.
- Opposes an absolute requirement for a single document with a clear start and end.
- Main concern: less flexibility and weaker decision usefulness in integrated reporting.

Alternative approach

- Define the signed scope clearly and use robust labelling, navigation, and an index to support audit and control needs.