



STATE OF PLAY REPORT

**IMPLEMENTATION OF
EUROPEAN SUSTAINABILITY
REPORTING STANDARDS :FY2025 OBSERVED PRACTICES**

JULY 2026

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Foreword

When EFRAG published the first edition of the State of Play report in 2025, it was a genuine milestone — the first systematic, evidence-based look at what mandatory reporting under the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards was actually producing in practice. It was also, I will be candid, a report that did not yet reach the full audience it deserved. The ambition with this second edition is to change that.

This report gives concrete expression to the long-standing ambition of European sustainability reporting policy: to make corporate disclosures transparent, comparable and decision-useful. Adoption of mandatory, standardised reporting was a deliberate policy choice — grounded in the argument that transparency must be required to be reliable. The State of Play report is the most direct test we have of whether that commitment is translating into practice.

We publish this second edition at a moment of genuine transition. The European Commission's recently closed consultation on their Draft Delegated Act regarding simplified ESRS reflects a wider debate about the calibration of sustainability reporting requirements. It is not EFRAG's role — nor the purpose of this report — to take a position on the outcome of that process. What we can offer, and what we hope this study delivers, is an objective and data-driven picture of where reporting practice stands today: a factual contribution to a debate that deserves to be grounded in evidence.

The findings themselves are, in many respects, a story of continuity. With ESRS Set 1 serving as the unchanged foundation for the second reporting cycle, it should come as no surprise that the broad contours of the FY2024 picture have carried forward into FY2025 — in the stability of topical materiality, the structural features of sustainability statements, and the patterns observed across geographies and sectors. At the same time, the data reveals areas of active development: in the growing adoption of Climate Transition Plans, in the first systematic look at governance disclosures, and in an increasingly detailed picture of how companies are — and are not — linking material topics to measurable targets and executive incentives.

This edition also reflects a further step in EFRAG's own methodological journey. The bespoke Generative AI engine used to analyse 900+ assured sustainability statements against 18 structured questions — made possible in part through a contribution in kind from Boston Consulting Group — was significantly enhanced for this second cycle. We are conscious that working with these technologies at this scale is relatively new territory for a standard-setter, and we have been deliberate about it: rigorous manual validation underpins every result in this report, and the methodology is documented in full. But we also believe that a standing, AI-assisted monitoring capability — one that can track how ESRS requirements are being applied in practice, year over year, across a comprehensive population of reports — is a tool that a public standard-setter should build and use. The State of Play is EFRAG's clearest expression to date of that commitment.

Kerstin Lopatta

Kerstin Lopatta,

EFRAG SRB Chair

1. Executive summary

This second edition of EFRAG's State of Play study examines how preparers have approached their second year of Corporate Sustainability Reporting Directive (CSRD) reporting, drawing on a comprehensive baseline of 905 FY2025 sustainability statements subject to assurance by a third-party in accordance with the European Sustainability Reporting Standards (ESRS). The study builds on the methodological foundation of the inaugural 2025 edition (which covered a totality of 656 sustainability statements subject to assurance), with an expanded set of 18 questions covering cross-cutting standards, Environmental and Social topical standards, and — for the first time — Governance disclosures.

Four messages run through the chapters that follow:

Cross-cutting practices: continuity with refinement, not transformation

As FY2025 ESRS sustainability statements were prepared in accordance with the same ESRS Set 1 standards as the inaugural cycle, the overall materiality, structure, length and profile of the sustainability statements have largely carried over from FY2024 — without fundamental shifts.

While the analysis shows how 82% of companies updated their Double Materiality Assessment (DMA) — through modifications ranging from minor refinements to scope changes — with two-thirds (67%) adopting a hybrid approach — the data confirm a broadly stable topical materiality picture: E1 Climate Change (99%), S1 Own Workforce (99%), and G1 Business Conduct (95%) remain the most widely material standards across sectors and countries, a pattern consistent with FY2024. Continuity is also visible at a more granular (sub-topic) level with the highest materiality scores recorded for E1 Climate Change mitigation (99%), S1 Working conditions for own workforce (97%), and S1 Equal treatment and opportunities for own workforce (96%). Notably, while companies disclose on average 30 IROs (Impacts, Risks and Opportunities), the highest concentration is found within E1 and S1 alone.

Also, while preparers identify an average of 6.4 material ESRS topics out of 10, measurable targets are set for only 3.3 of them, and fewer than two-thirds (63%) embed sustainability in executive incentive schemes — a pattern that indicates a distance between declared materiality and strategic commitment.

In terms of reports' length, across geographies, sustainability disclosures account for a consistent 34% of the annual reports' length, whilst only 6% of companies include a dedicated executive summary.

Environmental disclosures

The share of companies disclosing a transition plan for climate change mitigation (Climate Transition Plan/CTP) rose from 55% in FY2024 to 69% in FY2025 (when comparing both baselines against one another), reflecting continued momentum in corporate climate planning. Building on this, the FY2025 edition introduces an expanded analysis of climate target-setting: 57% of all undertakings disclose near- and long-term targets compatible with limiting global warming to 1.5°C. Compared to last year's analysis — which focused solely on companies that had already disclosed a CTP — this edition broadens the scope by covering all companies in the sample regardless of whether they have a formal CTP, and by including Scope 3. Beyond climate, the materiality of non-climate environmental topics is rising slightly with E2 up from 38% to 42%, E3 and E4 up to

35% and 41% respectively, and E5 following the same upward trends at 67%. A “like-for-like” comparison, focused on companies represented both in the FY2024 and FY2025 studies, shows only a slight difference, with E2 up from 40% to 45%, E3 from 33% to 38%, E4 from 40% to 44% and E5 from 65% to 69%. With regards to metrics disaggregation, under E2 through E5 (where E2-E5 are material) more than two-thirds of companies report exclusively at the global, company-wide level, less than 10% at regional level, and site level is applicable mostly for E2 Pollution, E3 Water and E4 Biodiversity (25%), while it is provided for 18% of metrics for E5 Circular Economy.

Social disclosures

Social topic materiality in FY2025 compared against the previous sample from FY2024 did not change significantly across S1 (99% as last year), S2 up to 68% from FY2024’s 63%, S3 slightly up from 30% to 31% while S4 went down from 68% to 64%. Taking a “like-for-like” comparison of companies represented in both years, it is worth noticing that there is only a slight change compared to the entire baseline, with S1 stable (99% for both FYs), S2 up to 69% from 65%, S3 up from 30% to 34%, and S4 up to 69% from 67%. The deep dive on the gender pay gap shows an average unadjusted gap of 14.3% in favour of men is reported across sectors and countries — with the widest gaps concentrated in the financial sector — yet only 12% of companies have enriched their unadjusted pay gap figure with the adjusted pay gap to better account for the particularities of their workforce (i.e. geographic distribution and roles of their employees across the undertaking). A similar variety characterises disclosure on discrimination and human rights incidents with the former reported by 85% of companies, and the latter by 93%. Moreover, deep diving into human rights, most undertakings (89%) now have formal human rights policies covering Workers in the Value Chain and/or Affected Communities.

Governance baseline

This year’s report introduces a first look at business conduct disclosures, with supplier-related reporting providing the primary lens. Materiality in this area slightly increased with Supplier relationship management, including payment practices, material for 54% of the undertakings vs. 50% in FY2024, while the “like-for-like” comparison, shows a slightly higher increase to 58% of undertakings compared to 49% in FY2024. More than two-thirds of these companies (81%) explicitly reference ESG criteria in supplier selection, most commonly through codes of conduct. In addition, only 7% of these undertakings provide SME-specific average payment terms and the majority report uniform treatment across their supplier base.

Disclaimer on AI-based analysis

This report includes AI-assisted content. While efforts have been made to ensure accuracy, it may contain errors or omissions, [more information in the Appendix](#).

2. Introduction

The publication of the FY2025 sustainability statements marks the second year of mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This second edition of EFRAG's State of Play study examines how preparers have approached their second year of disclosure, building on the inaugural FY2024 baseline established in 2025.

Throughout 2025, the European Commission advanced its "Omnibus" simplification package, aimed at – amongst others – streamlining EU sustainability reporting requirements, a process underneath the recently closed consultation process of the European Commission regarding simplified ESRS.

The FY2025 questionnaire has also been expanded to cover newly relevant areas — including DMA methodology, linkage of material topics with incentives and geographical disaggregation of environmental metrics, amongst others.

A particular emphasis of this edition is on the scale and breadth of the underlying analysis. EFRAG has continued to refine a bespoke Generative AI engine enabling a structured analysis of a comprehensive baseline of 905 FY2025 statements against a set of 18 questions. The further refinement of the engine in this second cycle has allowed an expanded set of questions to be processed reliably, reflecting the priority EFRAG places on technology-enabled approaches as a complement to its standard-setting and monitoring activities.

3. Scope

This study analyses sustainability statements prepared for fiscal year 2025 and issued in accordance with the ESRS, identified through leading databases and downloaded as of 20 April 2026. As in the inaugural edition, the dataset is restricted to statements that have been subject to third-party assurance in line with the CSRD, including statements published by preparers headquartered outside the European Union (87 out of 905). A portion of the FY2025 statements published before the cut-off date may not have been identified during the data collection process; statements published after the cut-off date are not included, resulting in a partial bias of aggregated results due to an under-representation of some countries.

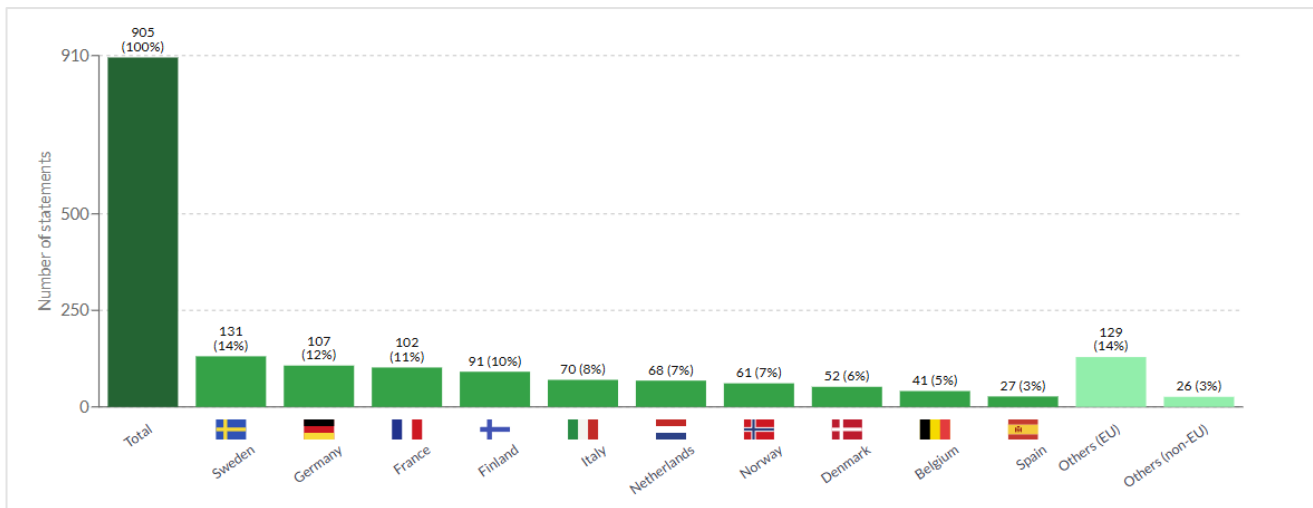
A total of 905 sustainability statements meeting the selection criteria were identified by the cut-off date, compared to 656 for the inaugural FY2024 edition. When comparing both figures on a single company level, only 554 sustainability statements were identified in both years. This discrepancy resulted from preparers no longer meeting the selection criteria for FY2025 (e.g., preparers in non-transposed countries no longer publish an assured sustainability statement) whilst new preparers were included from recently transposed countries. The “like-for-like” comparison will be selectively referenced in this report in case of deviating results compared to our default “baseline” comparison.

The questionnaire has been expanded to capture new insights while maintaining key questions for trend analysis and applying acceptable quality level best practices — supporting iterative prompt optimization and reliable processing of the broader question set ([more information in the Appendix](#)).

3.1 Geographies in scope

The geographical composition of the FY2025 sample — which results from the adopted cut-off date - reflects a moderate shift from the inaugural report. While the latter was led by France (16%), Germany (13%), and Finland (12%) the FY2025 sample is now headed by Sweden (14%), which has overtaken all other EU Member States and is still followed by Germany retaining the second place at 12%, and France moving to the third place at 11%. But the Nordic dynamic doesn't stop with Sweden and extends to Norway, which has grown from 2% to 7% of the total sample. Yet, as indicated before, it is worth noting that our deliberate cut-off date on 20 April 2026 does result in a partial bias of aggregated results due to an under-representation of selected countries where companies report later or publish their English version at a later stage.

Figure 1: number (#) & share (%) of sustainability statements, by country of headquarters



3.2 Sectors categorisation

The sector categorisation follows the same methodology as the inaugural edition: NACE¹ is applied for Non-Financial companies (non-FIs), reflecting the standard classification framework in the EU context, while GICS² is used to subdivide Financial Institutions (FIs) into Banks, Insurance, and “Asset management & Other financial.” Retaining this approach in full ensures direct comparability with FY2024. The sectoral composition of the FY2025 sample confirms the pattern observed in the inaugural cycle: among the non-financial companies, Manufacturing remains by far the largest, accounting for 36% of the entire baseline (38% in FY2024), followed among peers as last year by Information & Communication stable at 10% while FIs increased to 20% of the total sample.

Figure 2: number (#) of analysed companies by sector (FY24 vs. FY25)

Group	Sector	FY24 (%)	FY25 (%)
Non-FIs	Manufacturing	38	36
	Information & communication	10	10
	Wholesale & retail	7	6
	Transportation & storage	5	6
	Electricity, gas, steam & AC	5	5
	Construction		4
	Real estate	7	2
	Other non-financial	11	11
	Financial and insurance services	17	20
FIs	Total	656	905

4. Cross-cutting standards

This chapter examines cross-cutting reporting practices across the FY2025 sample, starting with analysing methodology and outcomes of preparers’ Double Materiality Assessments. The chapter then examines the distribution of material topics and sub-topics, the allocation of Impacts, Risks and Opportunities (IROs) across the ESRS statement, and the extent to which material topics are supported by measurable targets and embedded into incentive schemes. The chapter then ends with the structural characteristics of sustainability statements — their length, share in the length of the annual report, and use of executive summaries.

4.1 Double Materiality Assessment (DMA) methodology

ESRS Set 1 already provides methodological flexibility to conduct a Double Materiality Assessment without prescription, accommodating a bottom-up approach (starting from a comprehensive long-list of potential IROs and progressively narrowing down to those deemed material), top-down approach (starting from a preparer’s business model and peer comparison) and hybrid ones (combining the benefits of bottom-up and top-down approaches for different topics). Across the FY2025 sample, a hybrid approach emerged as the dominant practice, applied by 67% of preparers; a meaningful minority of 28% applied a bottom-up approach, while the top-down approach — one of the alternatives emphasised by the ongoing ESRS revision process remains uncommon at 5%.

¹ NACE: EU classification system for economic activities

² GICS: Global Industry Classification Standard developed by MSCI and S&P Dow Jones Indices to classify companies by industry and sector

At country level, hybrid approaches are most prevalent in the Netherlands (78%), followed by Finland (76%) and Sweden (74%). Italy, Denmark and Spain stand out for above-average bottom-up adoption, with rates ranging from 37% to 43%, suggesting a continued preference for comprehensive IRO identification as the starting point for the assessment.

Figure 3: Share (%) of companies per type of double materiality assessment methodology applied, by country

	Bottom-up	Hybrid	Top-down	# Companies Analyzed
Sweden	22%	74%	4%	131
Germany	25%	69%	6%	107
France	23%	73%	4%	102
Finland	17%	76%	7%	91
Italy	43%	51%	6%	70
Netherlands	19%	78%	*	68
Norway	34%	64%	*	61
Denmark	38%	60%	*	52
Belgium	27%	71%	*	41
Spain	37%	59%	*	27
Other EU countries	31%	62%	7%	129
Other Non-EU countries	38%	54%	*	26
Total	28%	67%	5%	905
# Companies	251	612	42	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

At sector level Information and communication shows the highest hybrid approach adoption (76%) followed by Administrative & support services (72%) and Real estate (71%) while Professional and scientific, Electricity, gas, steam & AC and Transportation & storage record the highest bottom-up rate among larger non-financial sectors at 40%, 38% and 32% respectively. FIs show a clear prevalence of the hybrid approach (overall at 73% vs. 66% overall adoption by non-FIs) with Insurance in the lead with 83% adoption.

Figure 4: Share (%) of companies per type of double materiality assessment methodology applied, by sector

	Bottom-up	Hybrid	Top-down	# Companies Analyzed
▼ Non-Financial	30%	66%	4%	738
Manufacturing	29%	67%	4%	333
Information & communi...	22%	76%	*	91
Wholesale & retail	30%	66%	*	56
Transportation & storage	32%	66%	*	50
Electricity, gas, steam & ...	38%	60%	*	42
Construction	26%	69%	*	42
Real estate	29%	71%	-	21
Admin. & support svcs	22%	72%	*	18
Mining & quarrying	29%	58%	13%	31
Professional & scientific	40%	47%	*	15
Other Non-Financial	38%	54%	8%	39
▼ Financial	20%	73%	7%	167
Bank	17%	75%	8%	93
Insurance	11%	83%	*	35
Asset Mgmt & other FIs	36%	59%	*	39
Total	28%	67%	5%	905
# Companies Analyzed	251	612	42	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

In addition, 82% of companies described that they updated the DMA from the FY2024 reporting. Where modifications were noted, these spanned from a wide range — from minor inconsistency corrections and IROs recalibrations through to scoring and threshold updates and, in some cases, full re-runs of the assessment triggered by scope changes such as mergers and acquisitions.

4.2 Materiality

Materiality is the foundation on which all subsequent disclosures rest: the topics and sub-topics deemed material determine the scope, depth and granularity of the sustainability statement. As FY2025 reporting was prepared under the same ESRS Set 1 framework, broad continuity prevailed both among preparers also included in the inaugural study and those who joined this new edition.

When comparing both baselines against one another, the average number of material topics per company (excluding entity-specific disclosures beyond AR16) stands at 6.4 out of a possible 10 as in FY2024. Similarly, the three topical standards which in the inaugural study were material for more than 90% of preparers (E1 Climate Change, S1 Own Workforce, G1 Business Conduct) confirm their performance in FY2025 with E1 Climate Change at 99% (against 98% in FY2024) followed by S1 Own Workforce at 99% stable vs. last year, and G1 Business Conduct at 95% up by 2 p.p. in FY2025. Taking a “like-for-like” comparison of companies represented in both years, it is worth noticing that the average number of material topics increased from previously 6.3 in FY2024 to 6.6 in FY2025.

Similarly to FY2024, Italy, France, and Spain report the broadest material scope with an overall materiality share above 40% for all topics.

Figure 5: Share (%) of companies reporting each ESRS topical standard as material, by country

	E1: Climate Change	E2: Pollution	E3: Water and Marine Resources	E4: Biodiversity and Ecosystems	E5: Resource Use and Circular Economy	S1: Own Workforce	S2: Workers in the Value Chain	S3: Affected Communities	S4: Consumers and End-users	G1: Business Conduct	# Companies Analyzed
Sweden	99%	36%	30%	27%	73%	99%	73%	21%	52%	97%	131
Germany	100%	52%	36%	35%	67%	98%	72%	24%	57%	96%	106
France	100%	57%	51%	49%	81%	99%	79%	43%	77%	97%	102
Finland	98%	32%	19%	43%	70%	99%	66%	18%	61%	93%	90
Italy	100%	52%	51%	49%	83%	100%	86%	62%	87%	99%	69
Netherlands	97%	21%	28%	46%	53%	99%	68%	26%	63%	91%	68
Norway	98%	46%	18%	54%	61%	100%	67%	31%	38%	98%	61
Denmark	100%	46%	27%	46%	65%	100%	75%	21%	58%	94%	52
Belgium	100%	44%	44%	20%	68%	98%	54%	17%	66%	88%	41
Spain	100%	52%	56%	44%	67%	100%	70%	48%	81%	96%	27
Other EU countries	99%	36%	38%	39%	54%	96%	47%	36%	73%	94%	129
Other Non-EU countries	96%	54%	35%	50%	58%	100%	73%	42%	58%	85%	26
Total	99%	42%	35%	41%	67%	99%	68%	31%	64%	95%	902
# Companies	894	383	316	367	607	890	617	282	576	856	

Electricity, gas, steam & AC, Mining & quarrying and Manufacturing record the highest number of material topics across sectors while among FIs companies, Insurance leads with the highest cross-topic materiality.

Figure 6: Share (%) of companies reporting each ESRS topical standard as material, by sector

	E1: Climate Change	E2: Pollution	E3: Water and Marine Resources	E4: Biodiversity and Ecosystems	E5: Resource Use and Circular Economy	S1: Own Workforce	S2: Workers in the Value Chain	S3: Affected Communities	S4: Consumers and End-users	G1: Business Conduct	# Companies Analyzed
▼ Non-Financial	99%	49%	41%	43%	77%	99%	77%	34%	60%	95%	737
Manufacturing	99%	64%	54%	43%	86%	99%	83%	31%	57%	94%	333
Information & communi...	99%	11%	14%	18%	58%	99%	60%	20%	76%	98%	90
Wholesale & retail	100%	50%	36%	45%	89%	100%	80%	21%	80%	89%	56
Transportation & storage	100%	74%	18%	48%	62%	98%	76%	40%	56%	94%	50
Electricity, gas, steam & ...	100%	40%	40%	76%	86%	98%	83%	81%	62%	95%	42
Construction	100%	40%	40%	64%	90%	100%	86%	43%	29%	95%	42
Real estate	100%	14%	43%	33%	76%	95%	71%	38%	81%	95%	21
Admin. & support svcs	94%	22%	22%	17%	50%	100%	61%	17%	61%	94%	18
Mining & quarrying	100%	77%	52%	74%	71%	100%	94%	61%	19%	100%	31
Professional & scientific	93%	*	20%	20%	53%	100%	53%	*	67%	93%	15
Other Non-Financial	100%	23%	38%	33%	59%	95%	56%	28%	72%	97%	39
▼ Financial	98%	12%	8%	30%	22%	98%	28%	20%	81%	96%	165
Bank	100%	11%	8%	35%	13%	97%	16%	27%	90%	95%	92
Insurance	100%	9%	9%	37%	31%	100%	46%	14%	77%	100%	35
Asset Mgmt & other FIs	92%	18%	8%	13%	34%	100%	39%	8%	63%	95%	38
Total	99%	42%	35%	41%	67%	99%	68%	31%	64%	95%	902
# Companies Analyzed	894	383	316	367	607	890	617	282	576	856	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

Country and sector material topical trends are mirrored at sub-topical level. In FY2025 preparers identify an average of 14 AR16 sub-topics as material, but coverage is highly concentrated around a small cluster of E1, S1

and G1 items. The five most widely disclosed sub-topics are the same as in FY2024: Climate change mitigation (99% vs. 97% in FY2024), Energy (84% vs. 87% in FY2024), Own workforce working conditions (97% vs. 93% in FY2024), Equal treatment (96% up 12 p.p. from last year), Corruption and bribery (84% vs. 83%). Taking a “like-for-like” comparison of companies represented in both years, it is worth noticing that the sub-topic materiality is very similar, with only minor differences: Climate change mitigation (99% vs. 97% in FY2024), Energy (85% for both FYs), Equal treatment (96% vs. 84% in FY2024), and Corruption and bribery (82% for both FYs).

4.3 IROs distribution

IROs are a key component of double materiality assessment, helping companies to determine which sustainability topics they should report on and help to identify how their business affects people and the environment (impacts), and how sustainability matters are material from a financial perspective. Across the FY2025 sample, companies report an average of 30 IROs, consistently concentrated in E1 (6.3) and S1 (6.5), followed by G1 (4.2) which together account for almost 60% of all IROs identified.

At country level, Spain leads with an average of 44.4 total IROs per company followed by Italy with 40.2 IROs and France at 35.1 IROs.

Figure 7: Average number (#) of IROs identified across ESRS topics, by country³

	E1: Climate Change	E2: Pollution	E3: Water and Marine Resources	E4: Biodiversity and Ecosystems	E5: Resource Use and Circular Economy	S1: Own Workforce	S2: Workers in the Value Chain	S3: Affected Communities	S4: Consumers and End-users	G1: Business Conduct	Not classified	Total	# Companies Analyzed
Sweden	5.03	0.88	0.6	0.88	2.95	4.36	2.39	0.63	1.95	3.36	0.57	23.6	131
Germany	7.48	1.88	0.82	1	2.81	7.75	2.5	0.63	2.38	4.07	1.26	32.57	107
France	6.22	1.84	1.02	1.49	2.82	8.14	2.11	1.22	4.05	5.24	0.96	35.1	102
Finland	6.1	0.78	0.62	1.84	3.2	6.47	2.46	0.55	3.03	3.91	0.95	29.9	91
Italy	7	1.73	0.99	1.14	3.09	9	3.44	1.69	4.83	5.34	1.96	40.2	70
Netherlands	4.96	0.62	0.54	1.21	1.62	5.15	1.84	0.35	2.49	3.25	0.99	23	68
Norway	6.49	1.48	0.39	1.85	2.26	5.16	2.34	0.79	1.77	3.97	1.16	27.67	61
Denmark	4.35	0.96	0.46	1.12	1.96	3.77	1.54	0.46	2.42	2.9	0.77	20.71	52
Belgium	6.8	1.39	0.88	0.49	2.41	6.51	1.56	0.24	4.37	3.88	2.39	30.93	41
Spain	7.81	2	1.78	1.33	3.26	8.74	2.93	1.89	4.19	7.44	3	44.37	27
Other EU countries	7.61	1.4	0.86	1.11	2.3	7.3	1.62	1.39	3.52	4.67	1.86	33.64	129
Other Non-EU countries	5.73	1.62	0.77	0.96	2.08	6.19	1.08	0.77	2.19	3.38	0.69	25.46	26
Total	6.32	1.34	0.77	1.21	2.62	6.54	2.2	0.88	3.03	4.2	1.27	30.37	905
# Companies	905	905	905	905	905	905	905	905	905	905	905	-	

At sector level, Electricity, gas, steam & AC leads with an average of 35.5 total IROs followed by Real estate at 34.8, and Manufacturing at 34.1. Financial Institutions average 25.1 total IROs with Insurance reporting the highest average number (30.3) and highest concentration on E1 and S1 like non-FIs peers.

³ “Not classified” refers to IROs that are not covered by the AR16 classification, but reflect entity-specific topics

Figure 8: Average number (#) of IROs identified across ESRS topics, by sector

	E1: Climate Change	E2: Pollution	E3: Water and Marine Resources	E4: Biodiversity and Ecosystems	E5: Resource Use and Circular Economy	S1: Own Workforce	S2: Workers in the Value Chain	S3: Affected Communities	S4: Consumers and End-users	G1: Business Conduct	Not classified	Total	# Companies Analyzed
▼ Non-Financial	6.32	1.58	0.91	1.36	3.09	6.81	2.54	0.96	2.8	4.13	1.08	31.57	738
Manufacturing	6.76	2.32	1.32	1.55	4	6.81	2.9	0.91	2.35	3.89	1.27	34.08	333
Information & communica...	4.36	0.18	0.14	0.32	1.64	6.24	1.4	0.38	4.53	3.66	1.77	24.62	91
Wholesale & retail	5.68	1.5	0.96	1.48	4.16	6.18	3.12	0.77	4.12	4.91	0.27	33.16	56
Transportation & storage	6.44	1.64	0.16	1.08	1.32	7.5	2.36	1	2.74	3.94	0.78	28.96	50
Electricity, gas, steam & AC	7.88	1.05	0.81	2.64	2.67	6.4	2.71	2.81	2.79	4.64	1.1	35.5	42
Construction	6.86	1.02	0.9	1.64	3.5	6.48	3	1.14	0.74	4.88	0.43	30.6	42
Real estate	9.62	0.48	0.62	1.33	2.9	8.05	2.57	0.81	3.24	4.62	0.57	34.81	21
Admin. & support svcs	4.22	0.22	0.22	0.17	1.22	8.94	1.56	0.39	1.94	5.33	0.83	25.06	18
Mining & quarrying	7.32	2.58	0.71	2.13	2.06	6.65	2.9	2.13	0.61	3.29	1.13	31.52	31
Professional & scientific	3.47	0.13	0.47	0.33	1.6	7.4	1	0.07	3.73	4.27	0.53	23	15
Other Non-Financial	5.13	0.79	0.97	0.95	1.82	7.28	1.56	0.54	4.44	4.79	0.62	28.9	39
▼ Financial	6.32	0.25	0.15	0.58	0.54	5.31	0.68	0.53	4.07	4.54	2.1	25.07	167
Bank	6.52	0.14	0.14	0.63	0.27	4.99	0.29	0.71	4.27	4.31	1.76	24.03	93
Insurance	7.89	0.31	0.17	0.71	0.86	7.17	1.51	0.37	4.69	5.26	1.37	30.31	35
Asset Mgmt & other FIs	4.44	0.46	0.15	0.33	0.9	4.41	0.87	0.23	3.05	4.44	3.56	22.85	39
Total	6.32	1.34	0.77	1.21	2.62	6.54	2.2	0.88	3.03	4.2	1.27	30.37	905
# Companies Analyzed	905	905	905	905	905	905	905	905	905	905	905	—	

The IROs distribution reflects the predominant position of E1, S1, and G1. S1 has the highest concentration of both positive and negative impact (on average 2.4 and 2.5 respectively). E1 leads both the distribution of risks with an average of 3.1 and the distribution of opportunities with an average of 2.0⁴

4.4 Targets and incentives

In this year’s edition two indicators have been added that together provide a structural view of the linkage between sustainability disclosures and strategic management, a strong indicator that a material topic is being actively managed and integrated into a preparer’s strategy:

- (i) the share of material topics for which preparers have established measurable, time-bound targets;
- (ii) the extent to which sustainability is embedded into incentive schemes and executive remuneration.

The FY2025 data indicates that preparers set targets across an average of 3.3 ESRS material topics per company, against an average of 6.4 material topics identified (i.e., only 50% of the material topics have a target set by the companies) — a widening discrepancy between what companies have defined as their strategic priorities and what emerged to be a material topic. E1 Climate Change and S1 Own Workforce are by a

⁴ Please refer to the EFRAG dashboard for additional details and a detailed breakdown (<https://insights.efrag.org/dashboard>)

significant margin the most frequently covered topics, with 98% and 82% of companies respectively reporting at least one target.

At country level, France leads with 4.1 average number of material topics with targets and E1 Climate Change with the highest share (100%), followed by Spain (with 3.6 average material topics and E1 Climate Change showing the highest share at 96%), and by Finland (with 3.5 average number of material topics and E1 Climate Change with the highest share (98%).

Figure 9: Share (%) of companies reporting each ESRS topical standard as covered by a quantitative target, by country

	E1: Climate Change	E2: Pollution	E3: Water and Marine Resources	E4: Biodiversity and Ecosystems	E5: Resource Use and Circular Economy	S1: Own Workforce	S2: Workers in the Value Chain	S3: Affected Communities	S4: Consumers and End-users	G1: Business Conduct	# Companies Analyzed
Sweden	98%	19%	51%	17%	44%	76%	34%	*	26%	17%	131
Germany	100%	20%	63%	22%	45%	84%	16%	*	10%	17%	105
France	100%	47%	73%	42%	67%	92%	22%	16%	16%	19%	102
Finland	98%	17%	76%	31%	62%	91%	37%	*	33%	33%	90
Italy	96%	22%	53%	15%	50%	72%	31%	7%	17%	24%	68
Netherlands	97%	57%	63%	42%	64%	84%	24%	*	30%	16%	68
Norway	98%	21%	64%	30%	41%	88%	20%	*	14%	24%	60
Denmark	94%	17%	50%	25%	59%	94%	21%	*	20%	22%	52
Belgium	100%	33%	67%	*	46%	68%	41%	-	22%	22%	41
Spain	96%	50%	80%	42%	72%	63%	53%	23%	-	-	27
Other EU countries	95%	30%	65%	16%	49%	77%	20%	19%	20%	15%	126
Other Non-EU countries	96%	43%	89%	23%	60%	81%	26%	*	-	23%	26
Total	98%	29%	64%	27%	53%	82%	27%	11%	20%	20%	896
# Companies	866	111	203	99	324	728	166	31	112	168	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

At sector level, Manufacturing leads at 3.8 topics per company with E1 Climate change representing the most covered with 97% followed by Mining & quarrying, Real estate and Electricity, gas, steam & AC all with 3.7 average topics covered led by E1 Climate change. Among FIs, Insurance shows the broadest coverage with 2.7 average number of material topics with targets and E1 Climate change with 100% coverage being the highest.

Figure 10: Share (%) of companies reporting each ESRS topical standard as covered by a quantitative target, by sector

	E1: Climate Change	E2: Pollution	E3: Water and Marine Resources	E4: Biodiversity and Ecosystems	E5: Resource Use and Circular Economy	S1: Own Workforce	S2: Workers in the Value Chain	S3: Affected Communities	S4: Consumers and End-users	G1: Business Conduct	# Companies Analyzed
▼ Non-Financial	97%	30%	67%	29%	55%	83%	28%	11%	20%	20%	734
Manufacturing	97%	34%	70%	37%	56%	84%	32%	12%	19%	20%	332
Information & communi...	97%	*	31%	*	48%	84%	26%	*	29%	26%	90
Wholesale & retail	95%	21%	63%	32%	67%	76%	43%	*	14%	20%	55
Transportation & storage	98%	22%	56%	*	58%	86%	11%	–	14%	19%	50
Electricity, gas, steam & ...	98%	35%	59%	28%	56%	90%	26%	12%	19%	15%	42
Construction	98%	35%	71%	22%	55%	81%	25%	*	–	12%	42
Real estate	100%	–	67%	43%	50%	90%	33%	38%	24%	15%	21
Admin. & support svcs	100%	*	*	–	44%	94%	27%	–	*	29%	18
Mining & quarrying	97%	29%	81%	26%	41%	87%	17%	21%	*	13%	31
Professional & scientific	100%	–	–	*	*	73%	–	–	*	43%	15
Other Non-Financial	95%	*	80%	31%	65%	70%	*	–	25%	13%	38
▼ Financial	100%	–	–	14%	28%	76%	17%	–	19%	18%	162
Bank	100%	–	–	*	*	83%	*	*	15%	13%	89
Insurance	100%	–	*	31%	36%	74%	19%	*	22%	23%	35
Asset Mgmt & other FIs	100%	*	*	*	31%	63%	20%	–	29%	28%	38
Total	98%	29%	64%	27%	53%	82%	27%	11%	20%	20%	896
# Companies Analyzed	866	111	203	99	324	728	166	31	112	168	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

It is also noticeable that 63% of FY2025 preparers embed sustainability targets into executive incentive schemes. This implies that 37% of preparers have not established a formal link between sustainability performance in managing material topics and executive remuneration.

At country level, Spain leads with 92% coverage followed by France and Germany with 90% and 84% respectively.

At sector level, Manufacturing leads with 74% followed by Electricity, gas, steam & AC with 69% and Mining & quarrying at 68%. Financial Institutions as a group average 52%, 14 percentage points below the non-FIs average of 66%, with Insurance the exception within the FIs group at 70%.

Figure 11: Share (%) of companies with targets for material topics embedded into incentive schemes/remuneration, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	48%	83%	92%	60%	80%	62%	58%	63%	48%	90%	49%	65%	66%	679
Manufacturing	54%	92%	90%	74%	79%	70%	73%	73%	53%	86%	70%	62%	74%	314
Information & communi...	56%	67%	90%	38%	40%	50%	67%	33%	*	67%	31%	*	55%	85
Wholesale & retail	67%	*	100%	56%	80%	75%	*	*	*	100%	25%	–	65%	49
Transportation & storage	*	75%	100%	80%	100%	*	67%	67%	33%	*	43%	33%	64%	44
Electricity, gas, steam & ...	*	50%	*	*	100%	20%	33%	*	*	*	88%	–	69%	35
Construction	38%	*	100%	50%	*	33%	75%	*	*	*	12%	–	55%	42
Real estate	20%	*	100%	–	–	*	–	–	*	–	67%	–	65%	17
Admin. & support svcs	50%	–	100%	*	*	*	*	*	–	–	*	*	62%	16
Mining & quarrying	*	–	100%	–	*	100%	44%	*	*	*	50%	*	68%	28
Professional & scientific	*	*	75%	*	*	*	*	–	*	–	–	–	54%	13
Other Non-Financial	29%	50%	75%	40%	*	*	33%	–	*	*	17%	*	42%	36
▼ Financial	12%	87%	82%	36%	89%	42%	20%	33%	60%	100%	50%	20%	52%	148
Bank	14%	89%	75%	33%	86%	33%	17%	20%	33%	100%	50%	*	50%	82
Insurance	*	100%	100%	*	*	67%	*	33%	*	*	67%	*	70%	33
Asset Mgmt & other FIs	0%	*	75%	0%	*	33%	*	*	*	–	*	*	39%	33
Total	43%	84%	90%	57%	82%	58%	51%	57%	50%	92%	49%	55%	63%	827
# Companies Analyzed	116	99	101	86	65	59	53	44	36	26	120	22	827	

(*) Fewer than three companies reported (data insufficient for comparison) (–) Zero companies reported (no data available)

4.5 Length and structure

This section provides statistics about the length and structure of sustainability statements to offer insights into how companies communicate and disclose their sustainability efforts, covering aspects ranging from the number of pages and the share of the annual statement dedicated to CSRD, to the use of an executive summary. The average length of FY2025 sustainability statements on a like-for-like basis shows a slight decrease, from 108 pages in FY2024 to 103 pages in FY2025, while the comparison of the average for the two samples shows a higher one (from 115 pages in FY2024 to 95 pages in FY2025). This moderation in report length represents a shift between the two reporting cycles, following both higher representation of Nordic countries (slightly biased by the under-representation of selected countries due to our chosen cut-off date), but also the growing streamlining of report by preparers as their familiarity with the ESRS framework grows.

The geographic pattern observed in the FY2024 cycle persists in the FY2025 cycle, even as average lengths have declined across most markets such as Germany (from 117 to 104), the Netherlands (from 91 to 81), and Spain (from 233 to 162). The drivers identified in the inaugural edition, including cultural alignment with financial statement conventions and peer comparison effects, appear to remain operative.

At the sector level, Electricity, gas, steam & AC have the longest reports among the non-financial companies with 116 pages, followed by Transportation & storage with 105 pages, and by Mining & quarrying with 104

pages. However, Financial Institutions continue to produce longer statements on average, with 109 pages compared with 91 pages for non-FIs dataset, and Banks in the lead with an average of 126 pages.

Figure 12: Average number (#) of pages of the sustainability statements, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	55	100	133	63	126	80	75	59	102	125	110	82	91	738
Manufacturing	55	106	125	66	101	82	78	56	100	141	117	79	91	333
Information & communi...	51	82	126	63	104	82	76	75	154	103	95	*	85	91
Wholesale & retail	63	*	154	61	132	82	*	64	*	136	110	–	90	56
Transportation & storage	*	104	170	73	206	*	59	54	138	*	138	74	105	50
Electricity, gas, steam & ...	*	100	*	*	153	77	63	*	*	*	150	–	116	42
Construction	51	*	133	50	*	76	71	*	*	*	76	–	80	42
Real estate	56	*	151	–	–	*	–	–	*	–	75	–	95	21
Admin. & support svcs	58	–	135	*	*	*	*	*	–	–	*	*	88	18
Mining & quarrying	*	–	137	–	*	69	84	*	*	*	98	74	104	31
Professional & scientific	*	*	88	*	*	*	*	–	*	–	–	–	65	15
Other Non-Financial	44	114	149	56	*	*	66	*	*	*	88	*	78	39
▼ Financial	61	123	130	70	150	85	105	65	92	270	120	80	109	167
Bank	91	136	202	73	158	89	122	58	122	281	132	*	126	93
Insurance	*	117	128	*	*	97	*	91	*	*	90	*	105	35
Asset Mgmt & other FIs	39	92	95	67	*	59	*	*	60	–	85	*	73	39
Total	56	104	132	64	129	81	81	60	101	162	113	81	95	905
# Companies Analyzed	131	107	102	91	70	68	61	52	41	27	129	26	905	

(*) Fewer than three companies reported (data insufficient for comparison) (–) Zero companies reported (no data available)

Examined for the first time in this edition, the share of annual / management report dedicated to sustainability captures the relative weight of sustainability disclosures within the broader corporate reporting package. Across the FY2025 sample, sustainability statements account for an average of 34% of the total number of pages of the annual statements, providing a useful complement to the raw page count data. The figure is relatively stable across geographies and sectors.

Another additional data point analysed for FY2025 is the use of an executive summary of sustainability content which was used by 6% of undertakings — a figure that might underline the limited attention given, at this stage of the reporting cycle, to navigational aids for non-specialist users. At country level, meaningful adoption is confined to a small number of markets: Denmark leads at 18%, followed by Belgium (16%) and Spain at 15%, while the rest of the countries do not seem to have companies that adopted this provision from the revised ESRS. At sector level, Professional and scientific activities lead at 14%, followed by Electricity, gas, steam and AC at 10%, and Manufacturing together with Wholesale & retail at 8%.

5. Topical standards (Environment)

This chapter examines environmental topical standards, extending and deepening the analysis begun in the inaugural edition. It covers three topics. Section 5.1 analyses the adoption of Climate Transition Plans (CTPs)

and the use of the European Climate Law-aligned Transition Pathways, a study contracted by European Commission's (DG CLIMA) as a reference for transition planning. Section 5.2 examines the extent to which preparers explicitly anchor their near- and long-term decarbonization targets to a 1.5°C warming pathway — a dimension elevated to a standalone question in this edition given its strategic relevance in the current reporting environment. Section 5.3 turns to the non-climate environmental standards (E2 through E5), documenting both the share of preparers disclosing quantitative metrics under each topic, and the level of geographic disaggregation at which those metrics are reported.

5.1 Transition plan for climate change mitigation (Climate Transition Plan - CTP)

As an important aspect that lays out how companies intend to transform their strategy and business models to ensure compatibility with the transition to a sustainable economy, already in the inaugural cycle, 55% of preparers declared having a Climate Transition Plan (CTP). In FY2025, this rate rose to 69% confirming continued momentum in this area, with a 14-p.p. increase recorded both in the “baseline” and “like-for-like” comparison.

At country level, Spain with 89%, France with 85% and Denmark with 81% are in the lead.

At sector level, Real estate records the highest rate at 95%, followed by Administrative & support services at 82% and Transportation & storage and Construction both at 76%. Among Financial Institutions, Banks record the highest adoption with 78%.

Figure 13: Share (%) of companies declaring to have a CTP, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	77%	72%	88%	64%	47%	77%	49%	79%	85%	95%	53%	75%	70%	726
Manufacturing	83%	75%	90%	69%	31%	83%	75%	94%	94%	86%	50%	78%	74%	330
Information & communi...	55%	73%	90%	75%	20%	25%	50%	33%	100%	100%	38%	*	60%	88
Wholesale & retail	75%	*	80%	30%	40%	80%	*	75%	*	100%	62%	–	62%	56
Transportation & storage	*	75%	75%	67%	100%	*	60%	88%	67%	*	57%	67%	76%	50
Electricity, gas, steam & ...	*	100%	*	*	71%	80%	0%	*	*	*	67%	–	71%	42
Construction	88%	*	100%	67%	*	100%	50%	*	*	*	50%	–	76%	41
Real estate	86%	*	100%	–	–	*	–	–	*	–	100%	–	95%	21
Admin. & support svcs	83%	–	100%	*	*	*	*	*	–	–	*	*	82%	17
Mining & quarrying	*	–	60%	–	*	67%	40%	*	*	*	100%	67%	65%	31
Professional & scientific	*	*	67%	*	*	*	*	–	*	–	–	–	46%	13
Other Non-Financial	38%	0%	100%	40%	*	*	33%	*	*	*	0%	*	43%	37
▼ Financial	67%	71%	71%	44%	90%	80%	64%	90%	43%	71%	58%	40%	67%	159
Bank	88%	90%	75%	50%	100%	88%	62%	83%	67%	80%	71%	*	78%	89
Insurance	*	20%	40%	*	*	75%	*	100%	*	*	33%	*	51%	35
Asset Mgmt & other Fis	38%	*	88%	0%	*	67%	*	*	33%	–	0%	*	54%	35
Total	76%	72%	85%	62%	53%	78%	52%	81%	78%	89%	54%	68%	69%	885
# Companies Analyzed	129	103	101	87	68	67	60	52	41	27	125	25	885	

(*) Fewer than three companies reported (data insufficient for comparison) (–) Zero companies reported (no data available)

On the use of scenario frameworks, explicit reference to DG CLIMA sector transition pathways was hardly ever made. Most preparers continue to rely on the more widely established alternatives, most commonly IEA Net Zero by 2050, IPCC SSP scenarios, SBTi, NGFS and CRREM. This finding indicates that the DG Clima scenarios have not yet achieved meaningful uptake among FY2025 Wave 1 preparers, a pattern that will be relevant to monitor in subsequent editions as awareness of these frameworks develops.

5.2 Decarbonization targets ambition (compatibility with 1.5°C)

The inaugural edition reported findings related to the decarbonization ambition as part of its CTP discussion (70% of preparers reported near-term Scope 1 & 2 targets compatible with 1.5°C). For FY2025, this dimension has been elevated to a standalone question, in recognition of its strategic importance.

57% of FY2025 preparers (declaring Climate change mitigation as material) disclose that both their near-term and long-term decarbonization targets are compatible with a 1.5°C warming pathway. This rate is 12 percentage points below the overall CTP adoption rate of 69%, indicating that a meaningful share of preparers who report having a Climate Transition Plan have not yet explicitly referred in their targets to 1.5°C compatibility.

At country level, Spain leads with 78% followed by the Nordics: Sweden at 72%, Finland and Denmark both at 67%.

At sector level, Real estate with 86% is followed at distance by Wholesale & retail (66%), and by Information & communication (59%). Financial Institutions broadly track the overall average, with Banks (60%) in the lead.

Figure 14: Share (%) of companies disclosing that near term and long-term targets are compatible with 1.5°C, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	75%	63%	56%	68%	34%	48%	47%	71%	53%	90%	31%	45%	56%	715
Manufacturing	72%	58%	53%	74%	31%	54%	56%	82%	56%	86%	32%	44%	58%	322
Information & communi...	73%	71%	78%	83%	20%	50%	75%	17%	67%	100%	23%	*	59%	86
Wholesale & retail	75%	*	80%	50%	60%	60%	*	100%	*	100%	38%	–	66%	56
Transportation & storage	*	75%	75%	50%	25%	*	40%	75%	33%	*	43%	0%	52%	50
Electricity, gas, steam & ...	*	75%	*	*	71%	20%	50%	*	*	*	50%	–	56%	41
Construction	88%	*	33%	50%	*	67%	75%	*	*	*	25%	–	57%	42
Real estate	100%	*	100%	–	–	*	–	–	*	–	50%	–	86%	21
Admin. & support svcs	83%	–	50%	*	*	*	*	*	–	–	*	*	53%	17
Mining & quarrying	*	–	20%	–	*	33%	20%	*	*	*	0%	67%	32%	31
Professional & scientific	*	*	0%	*	*	*	*	–	*	–	–	–	31%	13
Other Non-Financial	50%	33%	67%	40%	*	*	33%	*	*	*	0%	*	42%	36
▼ Financial	50%	65%	75%	67%	80%	79%	45%	50%	60%	43%	45%	60%	59%	155
Bank	50%	78%	50%	50%	86%	88%	38%	50%	33%	40%	58%	*	60%	88
Insurance	*	40%	80%	*	*	100%	*	67%	*	*	17%	*	56%	34
Asset Mgmt & other Fis	50%	67%	86%	67%	*	33%	*	*	*	–	0%	*	58%	33
Total	72%	63%	60%	67%	41%	55%	47%	67%	54%	78%	35%	48%	57%	870
# Companies Analyzed	127	103	94	86	68	66	60	52	39	27	123	25	870	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

5.3 Non-climate-related metrics and geographic disaggregation

This section examines the disclosure of quantitative metrics across non-climate-related topics ESRS E2 (Pollution), E3 (Water and Marine Resources), E4 (Biodiversity) and E5 (Resource Use and Circular Economy) and their level of geographic disaggregation, which has been one of the aspects intensively debated in the ESRS simplification throughout 2025 given the differing perspectives on the level of granularity that disclosures should provide.

E5 Resource Use and Circular Economy leads disclosure of metrics across E2–E5 (for companies declaring E2–E5 as material) with 42% of undertakings disclosing metrics, followed by E2 Pollution (28%), E3 Water and Marine Resources (22%), and E4 Biodiversity (13%).

Turning to the level of geographic disaggregation, (for companies declaring E2–E5 as material) global-level reporting dominates across all E2–E5 topics (77%), with virtually no basin-level disaggregation for water (0%)

indicating that companies default to aggregate disclosure rather than location-specific reporting. Regional disaggregation remains marginal across all topics (4–8%), while site-level disaggregation is most prevalent in E2 Pollution, E3 Water and E4 Biodiversity (25%), where operational footprint is more directly measurable.

6. Topical standards (Social)

This chapter examines social topical standards (ESRS S1-S4) starting with section 6.1 which analyses the disclosure of the gender pay gap, both through the unadjusted figure required under ESRS S1-16 and through the voluntary adjusted figure. Section 6.2 examines reporting on discrimination and severe human rights incidents under ESRS S1-17, while section 6.3 closes the chapter looking at the existence of human rights policies across the value chain covering Workers in the Value Chain and Affected Communities.

6.1 Gender pay gap — unadjusted and adjusted

The analysis of the disclosure of the gender pay gap by FY2025 preparers, covers both the unadjusted gap (difference of average pay levels between female and male employees, as a percentage of the average pay level of male employees) and the adjusted gap (considering for the role, seniority, geography and other compensable factors). The overall average unadjusted gender pay gap stands at 14.3% in favour of men (where Own workforce Equal treatment is declared as material).

At country level, Belgium has the lowest gap (7.7%) followed by Finland (10.7%) and Sweden (12.5%).

Among non-financial sectors, Electricity, gas, steam & AC record the lowest gap with 3.9%, followed by Construction with 6.8%, and Administrative & support services with 8.8%. The most pronounced gaps are observed in the financial sector, where Insurance shows the lowest gap with 22%.

Figure 15: Average unadjusted gender pay gap (%), by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	11.3%	11.1%	10.7%	9.1%	12.7%	13.0%	11.7%	12.4%	8.7%	12.1%	15.8%	12.6%	11.9%	556
Manufacturing	11.7%	8.2%	10.5%	5.4%	15.8%	10.8%	9.1%	8.9%	7.9%	8.3%	16.5%	6.4%	10.6%	238
Information & communi...	15.3%	18.0%	13.0%	15.4%	16.2%	25.6%	5.0%	21.9%	*	19.1%	20.0%	*	16.8%	77
Wholesale & retail	16.3%	*	8.5%	9.8%	16.4%	18.1%	–	19.4%	*	11.2%	15.4%	–	14.3%	50
Transportation & storage	*	10.4%	9.4%	*	4.8%	*	17.5%	6.9%	*	*	23.6%	21.1%	11.9%	36
Electricity, gas, steam & ...	*	*	*	–	0.3%	-1.1%	2.8%	*	*	*	8.5%	–	3.9%	28
Construction	4.9%	*	-1.0%	8.8%	*	*	-4.4%	*	–	*	11.3%	–	6.8%	31
Real estate	9.8%	*	30.1%	–	–	*	–	–	*	–	25.2%	–	20.1%	17
Admin. & support svcs	7.8%	–	9.9%	*	*	*	*	*	–	–	*	*	8.8%	17
Mining & quarrying	*	–	4.0%	–	*	*	23.9%	*	–	*	*	*	14.7%	25
Professional & scientific	*	*	*	*	*	*	*	–	*	–	–	–	10.7%	10
Other Non-Financial	10.4%	29.4%	10.9%	17.9%	*	*	*	–	*	*	14.5%	*	13.8%	27
▼ Financial	17.2%	24.2%	21.5%	20.7%	26.7%	20.1%	29.3%	19.5%	3.2%	19.9%	28.1%	37.5%	23.2%	148
Bank	13.8%	22.6%	28.7%	19.6%	26.7%	18.4%	27.1%	21.9%	20.1%	20.5%	29.2%	*	24.0%	84
Insurance	*	25.7%	22.4%	*	*	24.1%	*	14.8%	*	*	25.2%	*	22.0%	34
Asset Mgmt & other FIs	19.6%	27.3%	17.3%	*	*	*	*	–	*	–	24.8%	*	22.1%	30
Total	12.5%	13.9%	12.7%	10.7%	14.7%	14.8%	15.4%	13.9%	7.7%	14.2%	19.6%	18.1%	14.3%	704
# Companies Analyzed	84	85	92	60	62	49	52	43	28	26	105	18	704	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

With respect to the adjusted gender pay gap, only 12% of FY2025 preparers disclose both the unadjusted and the adjusted figure (where Own workforce Equal treatment is declared as material). Spain leads with a dual disclosure of 37% followed by the Netherlands with 31% and by France with 15%.

Information & communication lead the non-financial companies' double disclosure with 17% followed by Administrative & support services and Wholesale & retail both with 12%. The disclosure rate more than doubles among financial companies where Banks show the highest share with 32%.

Figure 16: Share (%) of companies disclosing both unadjusted and adjusted gender pay gap, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	1%	11%	16%	3%	10%	20%	4%	12%	10%	20%	11%	11%	10%	701
Manufacturing	0%	10%	11%	3%	10%	18%	6%	18%	18%	29%	0%	12%	9%	316
Information & communi...	8%	27%	30%	8%	0%	0%	0%	17%	0%	0%	38%	*	17%	89
Wholesale & retail	0%	*	20%	0%	20%	20%	*	25%	*	33%	25%	–	12%	56
Transportation & storage	*	0%	0%	0%	0%	*	0%	0%	0%	*	14%	0%	4%	47
Electricity, gas, steam & ...	*	0%	*	–	14%	20%	0%	*	*	*	0%	–	8%	37
Construction	0%	*	0%	0%	*	0%	0%	*	–	*	25%	–	5%	40
Real estate	0%	*	20%	–	–	*	–	–	*	–	0%	–	11%	19
Admin. & support svcs	0%	–	25%	*	*	*	*	*	–	–	*	*	12%	17
Mining & quarrying	*	–	20%	–	*	0%	10%	*	–	*	0%	0%	10%	30
Professional & scientific	*	*	0%	*	*	*	*	–	*	–	–	–	8%	13
Other Non-Financial	0%	0%	25%	0%	*	*	0%	*	*	*	0%	*	8%	37
▼ Financial	11%	22%	12%	11%	20%	71%	9%	0%	17%	86%	34%	0%	25%	158
Bank	25%	30%	0%	25%	14%	88%	0%	0%	33%	80%	39%	*	32%	87
Insurance	*	0%	20%	*	*	50%	*	0%	*	*	33%	*	23%	35
Asset Mgmt & other FIs	0%	33%	12%	0%	*	*	*	*	*	–	0%	*	11%	36
Total	2%	13%	15%	4%	12%	31%	5%	10%	11%	37%	17%	8%	12%	859
# Companies Analyzed	123	102	100	79	69	64	60	52	36	27	122	25	859	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

6.2 Discrimination and human rights incidents

This section examines disclosure of discrimination (unfair treatment of individuals based on protected characteristics such as gender, age, race, religion, etc.) and severe human rights incidents (any violation of fundamental rights such as forced labour, child labour, or freedom of association) in own operations.

Results show how 85% of FY2025 preparers for which Own workforce Equal Treatment is material do provide disclosure on reported incidents of discrimination, and 93% of companies with Own workforce other workers-related rights as material disclose on severe human rights incidents.

Figure 17: Share (%) of companies disclosing discrimination incidents, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	85%	92%	76%	81%	95%	76%	88%	86%	77%	80%	92%	89%	85%	701
Manufacturing	82%	90%	74%	81%	93%	82%	88%	82%	76%	57%	90%	100%	84%	316
Information & communi...	92%	93%	90%	67%	100%	25%	75%	100%	67%	100%	100%	*	85%	89
Wholesale & retail	92%	*	80%	80%	100%	100%	*	100%	*	100%	100%	–	93%	56
Transportation & storage	*	100%	50%	100%	100%	*	100%	88%	67%	*	100%	100%	89%	47
Electricity, gas, steam & ...	*	67%	*	–	100%	60%	50%	*	*	*	90%	–	78%	37
Construction	100%	*	100%	83%	*	33%	100%	*	–	*	75%	–	85%	40
Real estate	60%	*	80%	–	–	*	–	–	*	–	100%	–	84%	19
Admin. & support svcs	100%	–	100%	*	*	*	*	*	–	–	*	*	100%	17
Mining & quarrying	*	–	60%	–	*	67%	100%	*	–	*	75%	67%	83%	30
Professional & scientific	*	*	67%	*	*	*	*	–	*	–	–	–	77%	13
Other Non-Financial	88%	100%	75%	100%	*	*	67%	*	*	*	100%	*	86%	37
▼ Financial	94%	94%	76%	88%	70%	79%	82%	70%	83%	100%	84%	67%	83%	156
Bank	100%	100%	75%	75%	71%	75%	71%	67%	100%	100%	83%	*	81%	86
Insurance	*	100%	100%	*	*	100%	*	100%	*	*	83%	*	94%	35
Asset Mgmt & other FIs	100%	67%	62%	*	*	*	*	*	*	–	100%	*	77%	35
Total	86%	92%	76%	82%	91%	77%	87%	83%	78%	85%	90%	84%	85%	857
# Companies Analyzed	122	102	100	78	69	64	60	52	36	27	122	25	857	

(*) Fewer than three companies reported (data insufficient for comparison) (–) Zero companies reported (no data available)

Focusing on discrimination, the country perspective shows Germany in the lead with 92% of companies disclosing on incidents, followed by Italy with 91% and Norway with 87%.

At sector level, Administrative & support services stand out with 100% disclosure, followed by Wholesale & retail with 93% and Transportation & storage with 89%. This range is overall also matched by financial companies as well where the highest disclosure share is Insurance's with 94%.

For severe human rights incidents, disclosure is high where the relevant Own Workforce sub-topic is material: 93% of the 200-company baseline disclosed this information, with sampled companies in Sweden, Germany, Finland and Spain reaching 100% disclosure.

At sector level, Wholesale & retail, Transportation & storage, Real estate, and Administrative & support services lead at 100% of disclosure.

Figure 18: Share (%) of companies disclosing severe human rights incidents, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	100%	100%	80%	100%	94%	89%	83%	86%	89%	100%	86%	100%	92%	171
Manufacturing	100%	100%	87%	100%	89%	100%	67%	*	100%	100%	86%	*	92%	88
Information & communi...	*	100%	*	100%	100%	*	–	*	–	*	*	*	95%	20
Wholesale & retail	100%	–	–	*	*	*	–	*	–	*	*	–	100%	9
Transportation & storage	–	–	*	*	*	–	*	*	*	*	*	–	100%	11
Electricity, gas, steam & ...	–	–	*	*	100%	–	–	–	–	–	100%	–	90%	10
Construction	*	–	–	–	*	–	–	–	–	*	*	–	75%	4
Real estate	*	*	–	–	–	–	–	–	*	–	*	–	100%	5
Admin. & support svcs	100%	–	*	–	*	*	–	*	–	–	–	–	100%	8
Mining & quarrying	–	–	*	–	*	–	*	–	–	*	67%	–	75%	8
Professional & scientific	–	–	–	–	–	–	–	–	*	–	–	–	*	*
Other Non-Financial	100%	–	–	–	*	–	–	–	*	–	*	*	100%	7
▼ Financial	100%	100%	100%	*	100%	*	–	–	–	*	86%	*	97%	29
Bank	*	100%	–	–	100%	–	–	–	–	–	80%	–	93%	15
Insurance	*	–	*	*	–	*	–	–	–	*	*	*	100%	9
Asset Mgmt & other FIs	*	*	*	–	–	–	–	–	–	–	–	–	100%	5
Total	100%	100%	83%	100%	95%	90%	83%	86%	89%	100%	86%	100%	93%	200
# Companies Analyzed	26	24	23	13	37	10	6	7	9	11	29	5	200	

(*) Fewer than three companies reported (data insufficient for comparison) (–) Zero companies reported (no data available)

6.3 Human rights policies covering Workers in the Value Chain and/or Affected Communities

Under CSRD/ESRS, Human Rights policies are intended to provide transparency on a company embedding its commitment to respecting internationally recognized human rights into formal governance structures. In the context of ESRS S2 (Workers in the Value Chain) and S3 (Affected Communities), these policies extend to the value chain groups that could be affected by the companies’ impacts. Their purpose is to evidence that the company has moved beyond high-level commitments by establishing clear due diligence processes to address human rights risks and impacts across its value chain and areas of operations defined as material. The vast majority of FY2025 preparers declaring S2 or S3 as material disclose human rights policies covering at least ESRS S2 or S3 (89%).

At country level, Belgium leads with 96% of preparers disclosing human rights policies, followed by Germany with 94% and Italy with 92%.

At sector level, Mining & quarrying record the highest coverage with 100% followed by Manufacturing at 95% and Transportation & storage with 93%. Among financial companies the highest level of disclosure comes from Insurance with 89%.

Figure 19: Share (%) of companies with human rights policies covering ESRS S2/ S3, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	90%	95%	88%	86%	93%	88%	90%	89%	100%	94%	85%	100%	90%	600
Manufacturing	98%	96%	91%	89%	96%	94%	100%	100%	100%	83%	96%	100%	95%	286
Information & communicat...	100%	89%	75%	100%	75%	*	67%	25%	*	*	57%	*	79%	58
Wholesale & retail	64%	*	100%	100%	100%	100%	*	100%	-	100%	100%	-	91%	46
Transportation & storage	*	100%	75%	75%	100%	*	100%	88%	*	*	100%	100%	93%	41
Electricity, gas, steam & AC	*	75%	*	*	86%	75%	100%	*	*	*	90%	-	89%	38
Construction	57%	*	100%	67%	*	67%	25%	*	*	*	57%	-	69%	39
Real estate	100%	-	80%	-	-	*	-	-	*	-	67%	-	88%	16
Admin. & support svcs	100%	-	67%	*	*	-	-	*	-	-	-	*	83%	12
Mining & quarrying	*	-	100%	-	*	100%	100%	*	*	*	100%	100%	100%	30
Professional & scientific	*	*	75%	-	*	*	-	-	-	-	-	-	89%	9
Other Non-Financial	75%	*	100%	67%	*	*	*	*	-	*	*	*	80%	25
▼ Financial	62%	86%	78%	67%	88%	100%	67%	67%	*	67%	90%	*	80%	65
Bank	*	80%	*	-	83%	100%	67%	*	-	*	100%	*	74%	31
Insurance	*	*	100%	*	-	100%	-	*	-	*	75%	-	89%	19
Asset Mgmt & other FIs	75%	-	100%	*	*	*	-	-	*	-	-	*	80%	15
Total	88%	94%	87%	85%	92%	90%	89%	88%	96%	90%	86%	100%	89%	665
# Companies Analyzed	99	80	87	60	64	48	45	41	23	21	76	21	665	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

7. Topical standard (Governance - business conduct)

This chapter introduces a first look at business conduct disclosures from undertakings which declared the G1 subtopic “Management of supplier relationship” material, covering two questions that are new to the questionnaire in this second edition. Section 7.1 examines the extent to which preparers incorporate ESG criteria into their suppliers selection processes, including the nature and depth of that integration — ranging from codes of conduct to more operationally specific mechanisms such as corrective action plans and supplier disqualification procedures. Section 7.2, in line with the CSRD focus on SMEs experiencing delayed payments, examines the disclosure of average payment terms specifically for small and medium-sized enterprises (SMEs). This requirement under ESRS G1-6 has proved particularly challenging given – amongst others – the limitations of standard ERP systems in segmenting supplier data by company size. Together, the two sections provide an initial baseline against which the maturity of governance-related disclosures can be tracked in future editions.

7.1 ESG criteria in supplier selection

81% of FY2025 preparers declaring G1 subtopic “Management of supplier relationship” material explicitly mention ESG criteria in supplier selection. The nature of that integration is predominantly declarative, with the most common mechanism being the requested signature of a code of conduct. A minority of preparers report on corrective action plans, supplier disqualification procedures or incentive mechanisms linked to supplier ESG

performance, indicating that performance management in this area might largely remain policy-driven rather than operationally embedded.

At country level, France leads with 95% followed by Italy and Spain with 91%.

At sector level, Mining & quarrying and Manufacturing lead with 89%, followed by Electricity, gas, steam & AC with 88% reflecting the higher-risk nature of their supply chains and the correspondingly more developed supplier engagement frameworks in these sectors. The disclosed application in own operations across financial companies stays behind the non-financial peers (overall 74% vs. 82%), with Asset management and other FIs showing the highest application with 88%.

Figure 20: Share (%) of companies disclosing ESG criteria in the selection of suppliers, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	80%	75%	95%	76%	92%	92%	86%	50%	74%	94%	71%	90%	82%	408
Manufacturing	85%	79%	100%	86%	92%	90%	100%	*	70%	100%	95%	100%	89%	175
Information & communi...	60%	33%	83%	71%	100%	*	100%	*	*	100%	43%	*	73%	45
Wholesale & retail	89%	*	67%	86%	100%	*	–	*	–	67%	17%	–	70%	37
Transportation & storage	–	100%	*	*	100%	*	100%	60%	*	*	80%	*	86%	29
Electricity, gas, steam & ...	–	–	*	*	100%	*	*	–	*	*	80%	–	88%	26
Construction	100%	*	100%	60%	*	*	33%	–	–	*	62%	–	77%	30
Real estate	67%	–	100%	–	–	*	–	–	*	–	*	–	83%	12
Admin. & support svcs	*	–	*	–	*	–	*	*	–	–	–	*	88%	8
Mining & quarrying	*	–	*	–	*	*	100%	–	*	*	67%	67%	89%	19
Professional & scientific	*	*	*	*	*	–	–	–	*	–	–	–	62%	8
Other Non-Financial	60%	*	*	–	*	*	*	*	*	*	*	–	47%	19
▼ Financial	80%	33%	100%	*	86%	*	*	50%	75%	80%	74%	*	74%	69
Bank	50%	25%	*	–	75%	–	*	*	*	75%	75%	–	67%	33
Insurance	*	*	100%	*	*	*	–	*	*	*	67%	*	75%	20
Asset Mgmt & other FIs	100%	*	100%	*	*	*	–	*	*	–	*	–	88%	16
Total	80%	69%	95%	74%	91%	88%	87%	50%	74%	91%	71%	91%	81%	477
# Companies Analyzed	60	42	65	47	57	26	23	16	23	23	84	11	477	

(*) Fewer than three companies reported (data insufficient for comparison) (-) Zero companies reported (no data available)

The more informative dimension of the question, beyond the headline disclosure rate, is the depth of integration — whether ESG criteria are applied at supplier onboarding only, used as a continuous performance management lever, or formally integrated into procurement decisions through scoring frameworks. The FY2025 data indicates that most preparers reference ESG criteria primarily through codes of conduct, with only a minority disclosing more operationally specific mechanisms in place.

7.2 Average payment terms for SMEs

Disclosure of SME-specific average payment terms remains the exception rather than the rule in FY2025. Only 7% of preparers reporting G1 subtopic “Management of supplier relationship” material disclose payment terms specific to SME suppliers, with the majority instead reporting an aggregate or stating uniform treatment across their supplier base. Where SME-specific disclosure does occur, the overall average payment term for SMEs is 24 days.

At country level, the Netherlands leads with 19% followed by Italy with 14% and Sweden at 10%.

At sector level, Wholesale & retail trade records the highest disclosure rate at 16%, followed by Professional & scientific with 12% and Transportation & storage and Manufacturing both with 10%. Among FIs peers, Asset management & other FIs lead with 6%.

Figure 21: Share (%) of companies disclosing an average payment term for SMEs, by country and sector

	Sweden	Germany	France	Finland	Italy	Netherlands	Norway	Denmark	Belgium	Spain	Other EU countries	Other Non-EU countries	Total	# Companies Analyzed
▼ Non-Financial	12%	0%	5%	7%	16%	21%	0%	7%	0%	0%	5%	20%	8%	411
Manufacturing	15%	0%	3%	9%	25%	20%	0%	*	0%	0%	4%	67%	10%	176
Information & communi...	0%	0%	17%	0%	0%	*	0%	*	*	0%	0%	*	2%	46
Wholesale & retail	33%	*	0%	0%	20%	*	–	*	–	0%	33%	–	16%	37
Transportation & storage	–	0%	*	*	33%	*	0%	0%	*	*	0%	*	10%	29
Electricity, gas, steam & ...	–	–	*	*	0%	*	*	–	*	*	0%	–	0%	26
Construction	0%	*	0%	0%	*	*	0%	–	–	*	0%	–	3%	30
Real estate	0%	–	0%	–	–	*	–	–	*	–	*	–	0%	12
Admin. & support svcs	*	–	*	–	*	–	*	*	–	–	–	*	0%	8
Mining & quarrying	*	–	*	–	*	*	0%	*	*	*	0%	0%	5%	20
Professional & scientific	*	*	*	*	*	–	–	–	*	–	–	–	12%	8
Other Non-Financial	0%	*	*	–	*	*	*	*	*	*	*	–	0%	19
▼ Financial	0%	0%	22%	*	0%	*	*	0%	0%	0%	0%	*	3%	70
Bank	0%	0%	*	–	0%	–	*	*	*	0%	0%	–	0%	33
Insurance	*	*	33%	*	*	*	–	*	*	*	0%	*	5%	20
Asset Mgmt & other FIs	0%	*	20%	*	*	*	–	*	*	–	*	–	6%	17
Total	10%	0%	8%	6%	14%	19%	0%	6%	0%	0%	4%	18%	7%	481
# Companies Analyzed	60	42	66	47	57	26	23	18	23	23	85	11	481	

(*) Fewer than three companies reported (data insufficient for comparison) (–) Zero companies reported (no data available)

The most frequently cited reasons for non-disclosure are operational limitations of ERP and vendor-master systems in identifying SME suppliers, non-materiality of the relevant sub-topic, and the absence of a single standardised SME definition.

8. Appendix

8.1 Caveats and limitations

This study analyses sustainability statements prepared for fiscal year 2025 and issued in accordance with the ESRS, identified and downloaded as of 20 April 2026. The findings reflect aggregated patterns across the full dataset and are not intended to characterize or assess the reporting practices of any individual preparer.

The analysis incorporates the use of Generative Artificial Intelligence to assess sustainability statements at scale. As in the inaugural edition, all 18 questions in this edition were subject to AQL-based manual validation with prompts refined iteratively until accuracy reached the acceptable quality threshold. Results should accordingly be read as indicative market trends. The possibility of residual model errors cannot be excluded, and individual figures should be interpreted in that context.

Whilst the statements were gathered from a leading database, a portion published before 20 April 2026 cut-off date may not have been identified during the data collection process whilst the deliberate exclusion of reports published after 20 April 2026 partially distorts the adequate representation of individual countries.

8.2 Methodology

The first step of this analysis involved selecting Refinitiv as database and then collecting from them sustainability statements prepared for fiscal year 2025 and published between January 1, 2026, and 20 April 2026. To be included in the analysis baseline, the statements were manually checked to secure the following features: issuance in accordance with the ESRS regardless of the status of CSRD transposition into national law, third party assurance, and issuance in English. This process led from a long list of approximately 1900 annual statements across various industrial sectors and geographies to 905 selected statements.

A set of 18 questions was selected to assess the application of cross-cutting standards (General Disclosures) and topical standards (Environment, Social, Governance). Starting from a longer list of potential questions, the EFRAG Secretariat selected a subset with high relevance, complexity, and potential to yield insights and trends relevant to the second reporting cycle. The questionnaire has been expanded in comparison to the inaugural edition and includes for the first time questions on DMA methodology, targets and incentive schemes, gender pay gap, discrimination and human rights incidents, human rights policies, ESG supplier selection, and payment terms for SMEs.

The study incorporated the use of a bespoke Generative Artificial Intelligence engine, further refined since the inaugural edition, to perform a large-scale assessment of the full sample of sustainability statements. The objective was to generate high-quality, scalable insights into how companies are applying ESRS in their second year of mandatory disclosure. The engine analysed each collected statement against the pre-determined questions. To ensure that the engine produced accurate results, the AQL (Acceptable Quality Limit) method was used to identify a representative sub-sample of 5% of the entire baseline of 905 statements — selected to reflect the share of sectors and geographies in the full dataset — against which the correctness of GenAI responses was verified manually. Tailored prompts were developed and refined iteratively until accuracy reached the acceptable quality threshold, defined as fewer than three major errors and fewer than 5 minor

errors per each prompt and question. Only questions that met this quality threshold were included in the broader analysis. Results are shown in tables throughout the report and can also be found in EFRAG’s interactive dashboard, which is accessible [here](#).

8.3 Glossary and definitions

Term	Long Form
AQL	Acceptable Quality Level
AR16	Application Requirement 16
CRREM	Carbon Risk Real Estate Monitor
CSRD	Corporate Sustainability Reporting Directive
CTP	Transition plan for climate change mitigation
DG Clima	Directorate-General for Climate Action (European Commission)
DMA	Double Materiality Assessment
ERP	Enterprise Resource Planning
ESRS	European Sustainability Reporting Standards
GICS	Global Industry Classification Standard
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IROs	Impacts, Risks, and Opportunities
NACE	Nomenclature of Economic Activities
NGFS	Network for Greening the Financial System
p.p.	Percentage points
SBTi	Science-Based Targets Initiative
SME	Small and Medium-sized Enterprise
SSP	Shared Socioeconomic Pathway

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