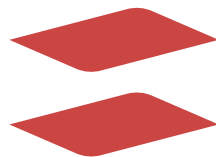


UPDATE ON ESG-REPORTING



Responsible Care - Workshop
Brussels, October 9th, 2025
Sonja Becker
Manager Group Sustainability

AGENDA



- 01 Context of the Omnibus Regulation
- 02 Newly proposed scopes of CSRD and CSDDD Reporting
- 03 Newly proposed content of CSRD Reporting
- 04 VSME – A new and helpful ESG Reporting Standard
- 05 The TALKE way – Bridging the Uncertainty



SCOPE OF THIS PRESENTATION

Phase 2 Companies Only!!

- Phase 2 Companies: Start mandatory CSRD reporting in 2025 (pre-Omnibus)

-
- Phase 1 Companies: Companies that already fall under the EU-NFRD (Non-financial Reporting Directive)
 - Phase 3 Companies: Non-EU Companies

01



CONTEXT

NECESSITY OF OMNIBUS-PROPOSAL

Reducing complexity and over-regulation and bureaucracy

Average # of pages

	France	Germany	Finland	Italy	Nether-lands	Denmark	Belgium	Spain	Poland	Austria	Sweden	Norway	Greece	Other	Total	# Companies Analysed
► Non-Financial	135	109	68	131	85	69	93	222	115	141	69	87	137	105	110	545
► Financial	132	164	119	176	112	76	*	304	170	206	111	123	*	132	141	111
Total	135	117	73	137	91	71	95	233	128	159	82	94	140	112	115	656
# Companies Analyzed	103	83	79	65	56	51	33	29	26	18	16	15	15	67	656	

(*) Fewer than three companies reported (data insufficient for comparison)

(-) Zero companies reported (no data available)

Source: EFRAG, State of Play 2025 report. Implementation of the European Sustainability Reporting Standards (ESRS): Observed practices based on statements issued as of April 20 2025

STATUS QUO CSRD REPORTING TRANSPORT AND LOGISTICS

Average # of pages

	France	Germany	Finland	Italy	Nether-lands	Denmark	Belgium	Spain	Poland	Austria	Sweden	Norway	Greece	Other	Total	# Companies Analysed
▼ Non-Financial	135	109	68	131	85	69	93	222	115	141	69	87	137	105	110	545
Manufacturing	123	115	69	139	84	64	89	168	104	149	68	86	*	114	106	250
Information and com...	127	86	64	97	67	73	133	214	97	*	*	80	-	69	96	66
Wholesale and retail	203	92	66	*	87	*	*	*	128	*	*	-	*	89	107	46
Professional, scientifi...	113	98	76	104	*	*	*	-	-	-	*	*	-	*	97	31
Transportation and St...	193	123	65	-	*	78	*	-	-	-	-	-	141	100	115	31
Electricity, gas. steam	*	103	*	157	70	*	-	332	*	*	-	*	*	190	159	32
Construction	148	*	76	*	*	*	*	234	*	*	-	-	-	*	139	24
Real estate activities	162	*	-	-	*	-	*	-	-	*	-	-	*	108	129	17
Administrative and su...	*	-	-	*	*	*	-	*	*	-	-	-	*	-	86	10
Mining and quarrying	*	-	*	-	*	-	-	-	*	-	-	*	-	96	102	10
Other Non-Financial	160	120	60	*	-	*	-	*	*	-	*	-	*	59	109	19
▼ Financial	132	164	119	176	112	76	*	304	170	206	111	123	*	132	141	111
Bank	133	223	133	192	110	78	*	318	172	234	118	*	*	152	155	74
Insurance	141	112	*	*	120	74	-	*	*	*	*	*	-	119	117	29
AM & other Fis	*	*	-	*	*	-	-	-	-	-	-	-	-	77	94	8
Total	135	117	73	137	91	71	95	233	128	159	82	94	140	112	115	656
# Companies Analyzed	103	83	79	65	56	51	33	29	26	18	16	15	15	67	656	

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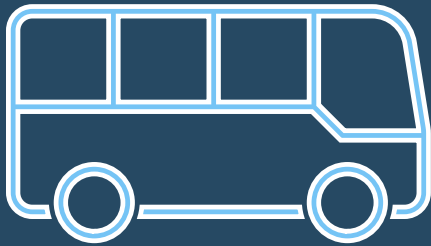
Source: EFRAG, State of Play 2025 report

EU OMNIBUS REGULATION

In February 2025, the EU Commission presented a proposal to significantly simplify and streamline ESG reporting requirements.

The aim is to:

- drastically **reduce** the number of users
- **postpone** reporting requirements
- **relieve** the bureaucratic burden



Overview: Main changes and EU decision making process

1. Timeline

“Stop the clock” for 2 years (start reporting obligation in FY 2027 instead of FY 2025)

Already decided by EU

2. Scope CSRD + CSDDD

Substantial reduction of no. of companies that fall under the CSRD and CSDDD

3. Value Chain Cap, CSDDD & VSME

New Value Chain Cap to reduce the trickle down effect of ESG data in value chains, based on new VSME standard (voluntary SME), reduction of CSDDD requirements

Decision making via EU trilogue process

4. Taxonomy

Changes to scope and reporting requirements to ease the burden of taxonomy reporting

5. CSRD Contents

Substantial reduction of ESRS standards, with focus on reduction of qualitative data

Decision making via EU trilogue process, based on revised ESRS drafts by EFRAG

TIMELINE OF EU NEGOTIATIONS



- On June 23, 2025, the EU Council established its negotiating position.



- The EU Parliament is expected to present its position in the second half of October 2025.



- EFRAG will hand over its revised ESRS draft to the EU Commission by end of November 2025.



- Trilogue negotiations between the Commission, Council, and Parliament will take place in fall 2025.



A final political compromise and determination of the final group of CSRD users (scope) is expected at the end of 2025 or beginning of 2026.



Final, reduced ESRS standards are not to be expected before early to mid 2026.

EUTRILOGUES LEGISLATIVE PROCESS

1. Initiation

1. Commission → Proposal → Parliament & Council

2. First Reading

1. Parliament: Committee Review & Vote
2. Council: Review & Amend

3. Trilogue Negotiations

1. Informal Talks: Parliament, Council, Commission

4. Provisional Agreement

1. Requires Formal Approval

The many process steps and the social and geopolitical tensions within the EU require time.

5. Second Reading

1. Parliament & Council: Review & Vote

6. Third Reading (if necessary)

1. Mediation & Final Vote

7. Adoption & Publication

1. Official Journal → Law

02



SCOPES

EU POSITIONS ON CSRD-SCOPE



Pre-Omnibus Scope:

two of three criteria:

1. > 250 employees
2. > 50 m. € turnover
3. > 25 m. € balance sheet

Initial Omnibus Proposal by EU Commission:

1. >1,000 employees
- plus one of the following criteria
1. >50 m. € turnover
 2. > 25 m. € balance sheet

Overview of current EU proposals*

(status as of Oct. 1st, 2025; Session in the European Parliament)

Option	Scope Employees	Scope Turnover	Comment
No. 1	> 1,750 employees	> 450m. €	A majority, if possible at all, would be very narrow and hugely controversial.
No. 2	> 1,000 employees	> 50 m. € (or 25 m. balance sheet)	Initial Omnibus proposal, but no majority yet

* Within the EU others opinions & proposals are under discussion

EU POSITIONS ON CSDDDD- SCOPE

Pre-Omnibus Scope:

- 2027: > Wave 1, 5,000 employees, turnover > 1.5 b. €
- 2028: > Wave 2, 3,000 employees, turnover > 900 m. €
- 2029: > Wave 3, 1,000 employees, turnover < 450 m. €

Initial Omnibus Proposal by EU Commission:

- Extension of the deadline for implementation + 1 year for all three waves
- CSDDDD only applicable for tier 1 suppliers, not for the whole value chain
- No overregulating regarding supply chains at level of national laws allowed

Overview of current EU proposals*

(status as of Oct. 1st, 2025; Session in the European Parliament)

Option	Scope Employees	Scope Turnover	Comment
No. 1	> 5,000 employees	> 1.5 bn. €	The obligation under the CSDDDD for climate protection plans is repealed.
No. 2	> 5,000 employees	Lower, but not defined yet	The obligation under the CSDDDD for climate protection plans remains in place.

* Within the EU others opinions & proposals are under discussion

03



CONTENT CSRD

STATUS QUO ESRS- REVISION

57 %Reduction of Data points

EFRAG is proposing:

- a simplified set of European Sustainability Reporting Standards (ESRS),
- reducing data points by 57%
- while retaining the core objectives of the EU Green Deal

Overview reductions in datapoints

Total „shall“ data points OLD	803
Total „shall“ data points NEW	347
Deleted qualitative data points	-275
Deleted quantitative data points	- 53

Key levers for reduction

- **LEVER 1**Simplification of the Double Materiality Assessment (DMA)
- **LEVER 2**Better readability/conciseness of the sustainability statements and better inclusion in corporate reporting as a whole
- **LEVER 3**Critical modification of the relationship between Minimum Disclosure Requirements (MDR) and topical specifications
- **LEVER 4**Improved understandability, clarity and accessibility of the standards
- **LEVER 5**Introduction of other suggested burden -reduction reliefs
- **LEVER 6**Enhanced interoperability

What remains unchanged

- **STRUCTURE**2 cross cutting + 10 topical ESG standards
- **DOUBLE MATERIALITY**The principle of double materiality remains untouched
- **DISCLOSURE REQUIREMENTS**Reduction of granular datapoints rather than cancelling of whole disclosure requirements

PROPOSED RELIEFS DOUBLE MATERIALITY ASSESSMENT

1. Top-down approach as a starting point:

- Analysis of the company's business model (“top-down”). Determination of material topics already at this level, rather than working through all possible topics.

2. Introduction of a materiality filter:

- Clarification that only material aspects need to be reported on datapoint level.

3. Sharpening the concept of “materiality of information”:

- This should lead to a clearer focus on material sustainability information and avoid an overly comprehensive, checklist-like processing of ESRS requirements.

4. Introduction of the “fair presentation” concept:

- Intended to give companies more flexibility in presenting material information.

5. Practical simplifications:

- In addition, companies should not have to report on immaterial items of information if they lack reliable data and should be able to rely more on estimates in the future.



Possible
danger

Flexibilities in DMA process might lead to more discussions with auditor.

Thus, the ESRS could bring only superficial relief to the DMA process and shift the burden of justification between companies and auditors.

VALUE-CHAIN-CAP AND REPORTING STANDARDS

Value Chain Cap as a protective shield

To reduce the trickle down effect of reporting burdens in the value chain, the Omnibus proposal suggests a new Value Chain Cap:

- Clear definition of a fixed set of ESG data that companies are allowed to ask from their suppliers or downstream stakeholders
- Proposed contents of capped value chain data:
 - VSME standard
 - additionally: well-established industry specific ESG data

Connection of Value Chain Cap and ESG Reporting Standards

From S to XL – A Reporting Standard for every need



No report

VSME

„VSME+“

ESRS

Zero effort –
higher risks

„Voluntary SME“
standard, „S sized
reporting“ and
planned scope for
Value Chain Cap

Voluntary „small
mid cap“ reporting
going beyond
VSME, „M or L sized
reporting“ →
aimed at
companies 250-
1,000 employees

Full „XL size“ of
reporting –
mandatory or
voluntary application
of ESRS standards

04



VSME

VSME AS A TOOL TO AVOID CSRD DECISION PARALYSIS

To prepare or not to prepare?
That is the question!

- Many companies face decision paralysis in the face of regulatory uncertainty
- The VSME standard offers a way to moderately prepare for upcoming reporting obligations whilst avoiding over-preparing for CSRD
- The VSME standard is designed for SME! In the long run, it will be too small for larger companies
- But it can serve to bridge the gap between inaction and over-preparing in these times of reporting uncertainty

	VSME	ESRS
Structure	2 Modules	2 cross-cutting standards 10 topical standards
DMA	Not required	Required
Scope + Complexity	Up to 20 disclosure requirements < 100 data points Mainly quantitative	Up to 100 disclosure requirements > 1,000 data points Extensive qualitative + quantitative data
Integration Financial Reporting	Not required	Required
External Assurance	Not required	Required
Company specific additions	Possible, if needed	Possible, if needed

OVERVIEW VSME CONTENTS

BASIC MODULE- mandatory

General information

B 1 Basics for preparation

B 2 Practices, strategies and future initiatives for the transition towards a more sustainable economy

Environmental

B 3 Energy consumption and GHG emissions

B 4 Pollution of air, water and soil

B 5 Biodiversity

B 6 Water resources

B 7 Resource use, circular economy, waste management

Social

B 8 Own workforce – general characteristics

B 9 Own workforce – health and safety

B 10 Own workforce – remuneration, collective bargaining and training

Governance

B 11 Convictions and fines related to corruption and bribery

COMPREHENSIVE MODULE optional

General information

C 1 Strategy: Business model and sustainability -related initiatives

C 2 Description of practices, strategies and future initiatives for the transition towards a more sustainable economy

Environmental

C 3 GHG reduction targets and climate transition

C 4 Climate risks

Social

C 5 Own workforce - additional characteristics

C 6 Human rights policy and processes

C 7 Severe negative human rights incidents

Governance

C 8 Revenues from certain sectors and exclusion from EU reference benchmarks

C 9 Gender distribution in the governance body

Note for Germany

DNK – Deutscher Nachhaltigkeitskodex (= German Sustainability Code) offers a newly launched Platform for digital VSME Reporting (free of charge)



VSME-Modul als Beta-Version verfügbar!

Mit der kostenlosen DNK-Plattform erstellen Sie Ihren Nachhaltigkeitsbericht digital und zeitsparend – jetzt auch für Unternehmen, die freiwillig berichten möchten.

[→ VSME-Bericht starten](#)

05



THE TALKE WAY

BRIDGING THE UNCERTAINTY: SMART CSRD PREPARATION

Our VSME process

Timeline:

- Start in June 2025
- Publication planned for May 2026 (parallel to Financial Report 2025)

Steps:

1. **Scope:** Decision to apply CSRD scope (fully consolidated legal entities)
2. **Review of VSME contents** and decision to report both basic + comprehensive module
3. **Gap analysis:** Identification of stakeholder information needs not covered by VSME (banks and customers)
4. **Addition** of stakeholder topics to VSME data list (as a TALKE-specific „VSME+“)
5. **Data collection** qualitative + quantitative and ongoing dialogue with data collectors
6. **Use of German DNK VSME platform** for efficient report compilation

Benefits of VSME reporting

- Paves an easy way towards collection of relevant ESG data
- Helps to get acquainted with ESG reporting processes without overwhelm
- Serves as a pilote and small prototype for future CSRD reporting
- Serves as a reality check for the more intense CSRD processes
- Helps to get internal data collectors on board without resistance
- Can easily be customised depending on own ESG transparency needs



QUESTIONS?





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