



# Anticipated Financial Effects Disclosures under ESRS

Empirical Evidence from the First Wave of CSRD Reports





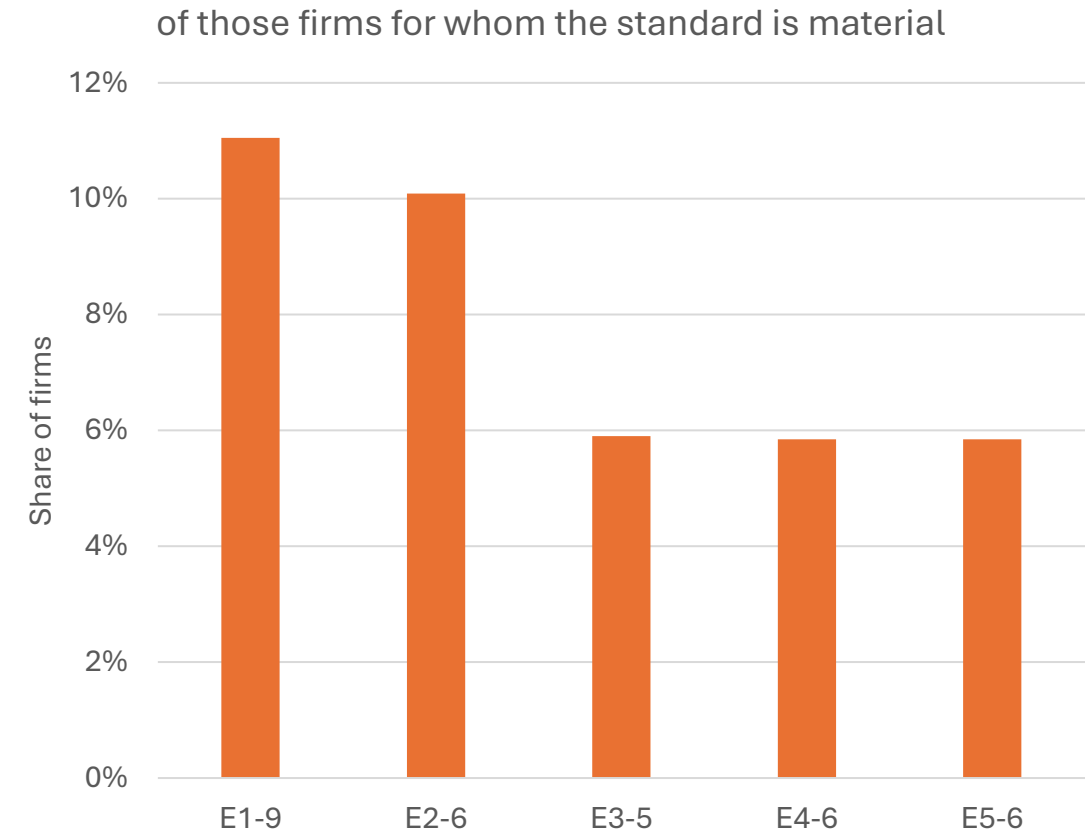
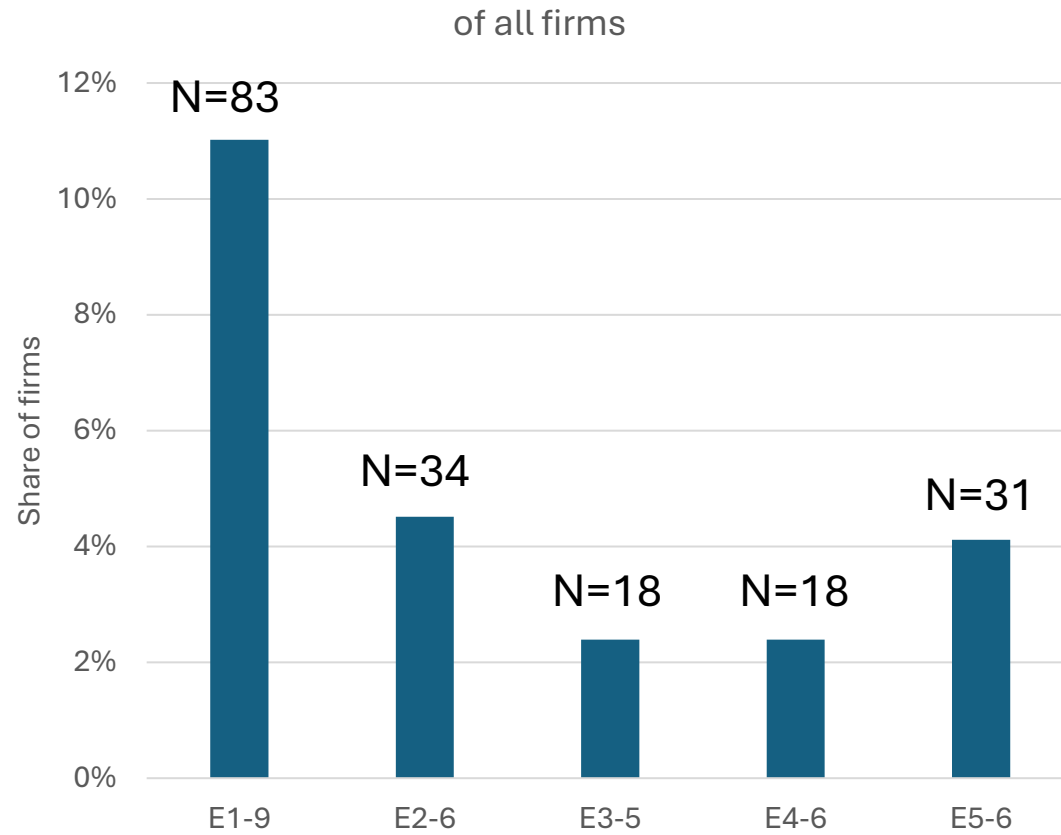
# 01 Descriptives

# Sample

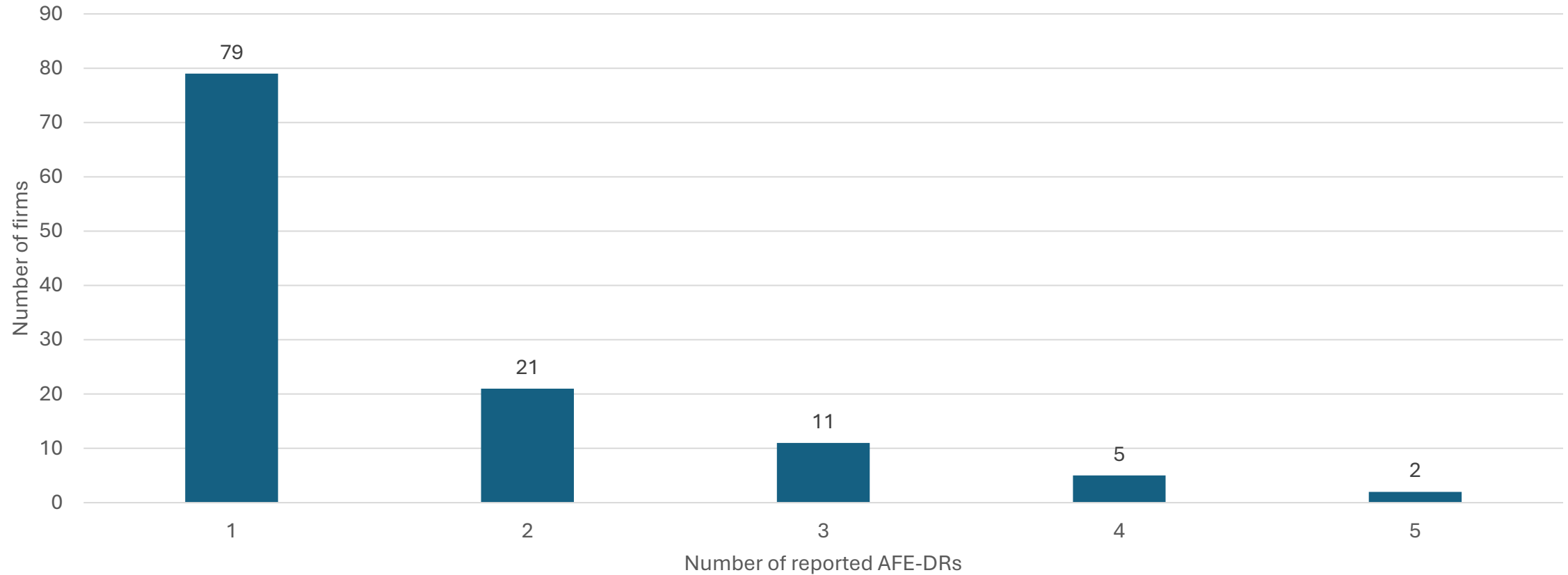
- **Data collection** from annual & sustainability reports from the working paper „Targeting Transparency: early evidence on mandatory adoption of European sustainability reporting standards“ (available at: <https://ssrn.com/abstract=5010700>)
  - Which firms reported on which Anticipated Financial Effect-Disclosure Requirements?
  - What did firms report on anticipated financial effects?
- 5 Anticipated Financial Effect-DRs in the ESRS: **E1-9** (Climate change), **E2-6** (Pollution), **E3-5** (Water and marine resources), **E4-6** (Biodiversity and ecosystems), **E5-6** (Resource use and circular economy) → Only in **environmental** reporting

	Number of firms	Number of Disclosure Requirements
Total sample	753 (with 70 DRs each)	52,710
AFE sample	118 (5 AFE-DRs)	184

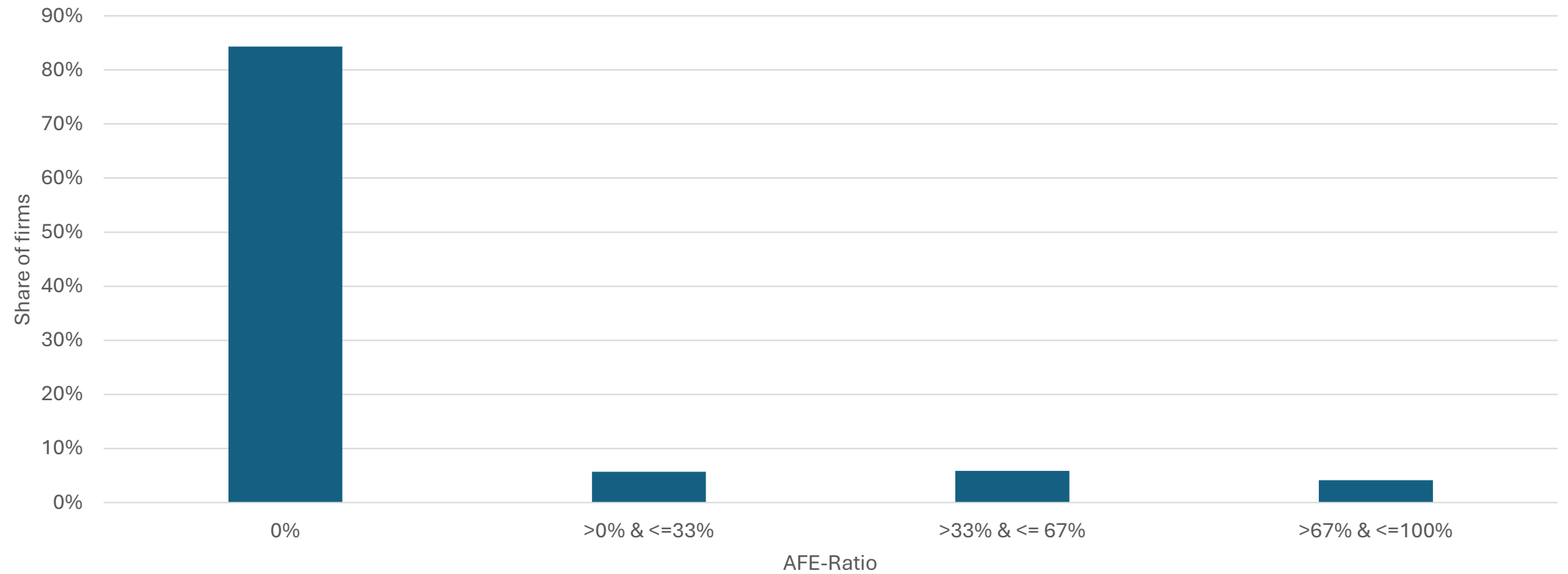
# Reported Anticipated Financial Effect-DRs



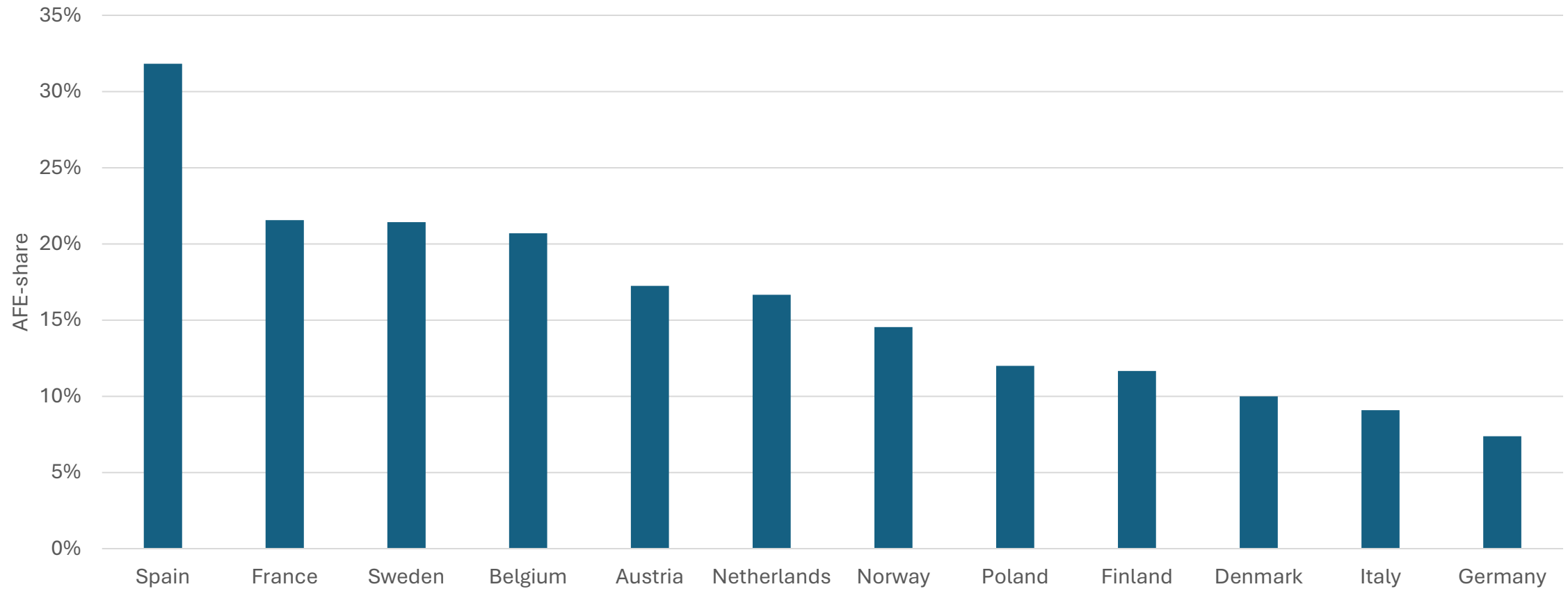
# Reported Anticipated Financial Effect-DRs



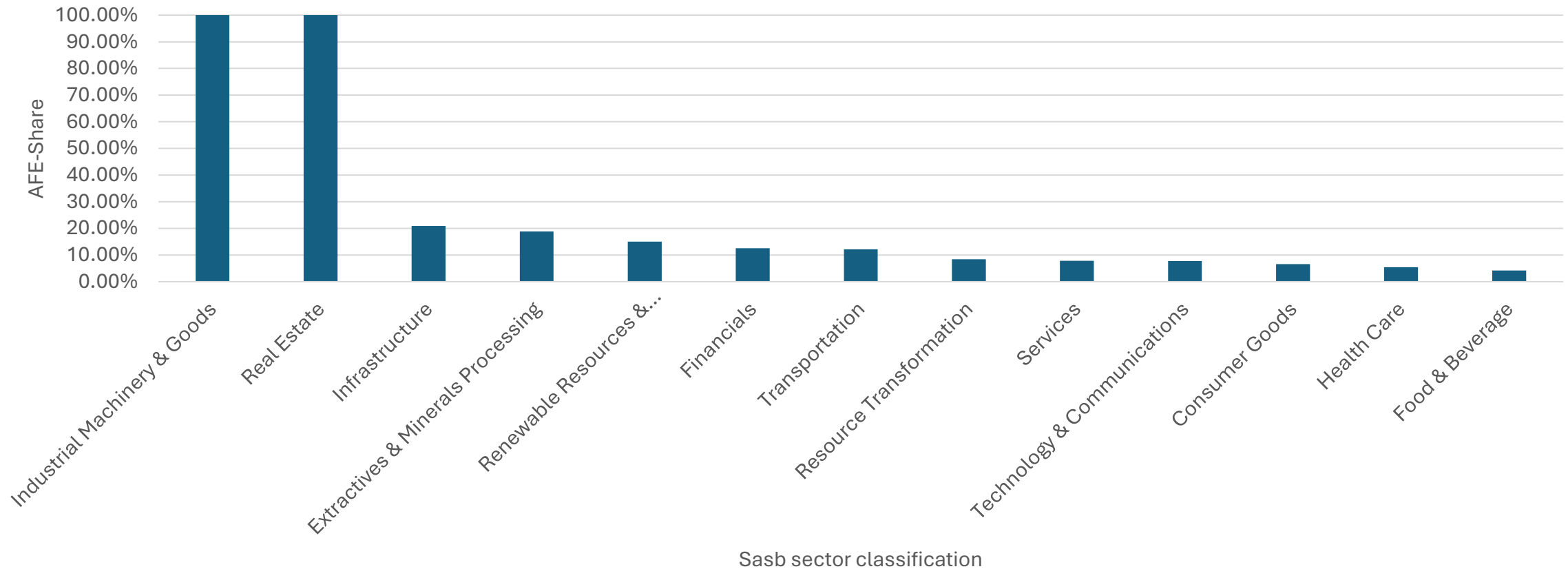
# AFE-Ratio



# Country differences

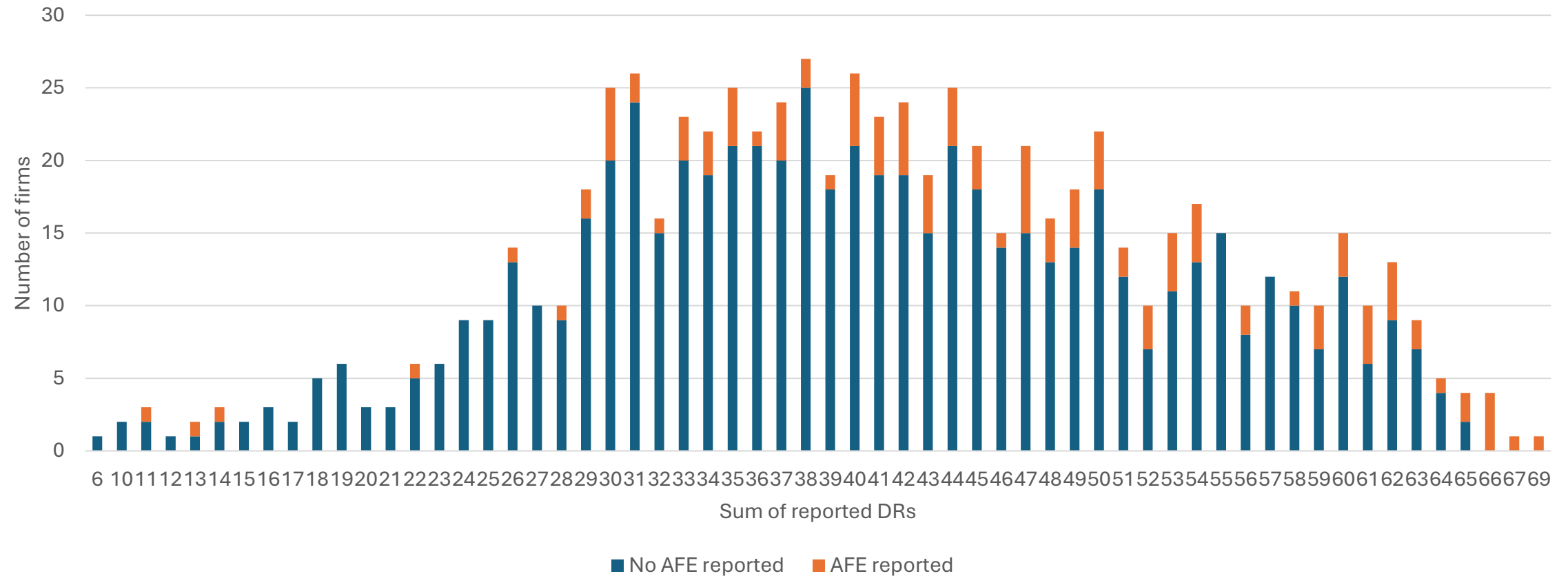


# Industry differences

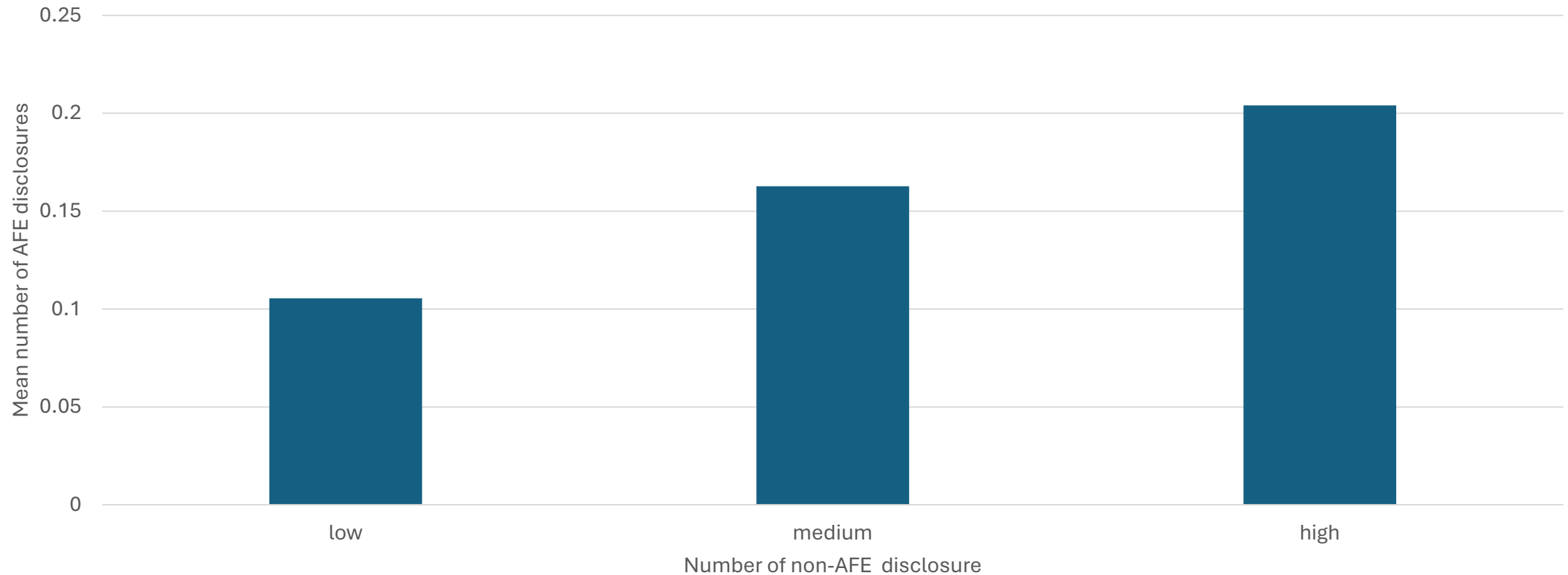




# Number of reported DRs (all standards)



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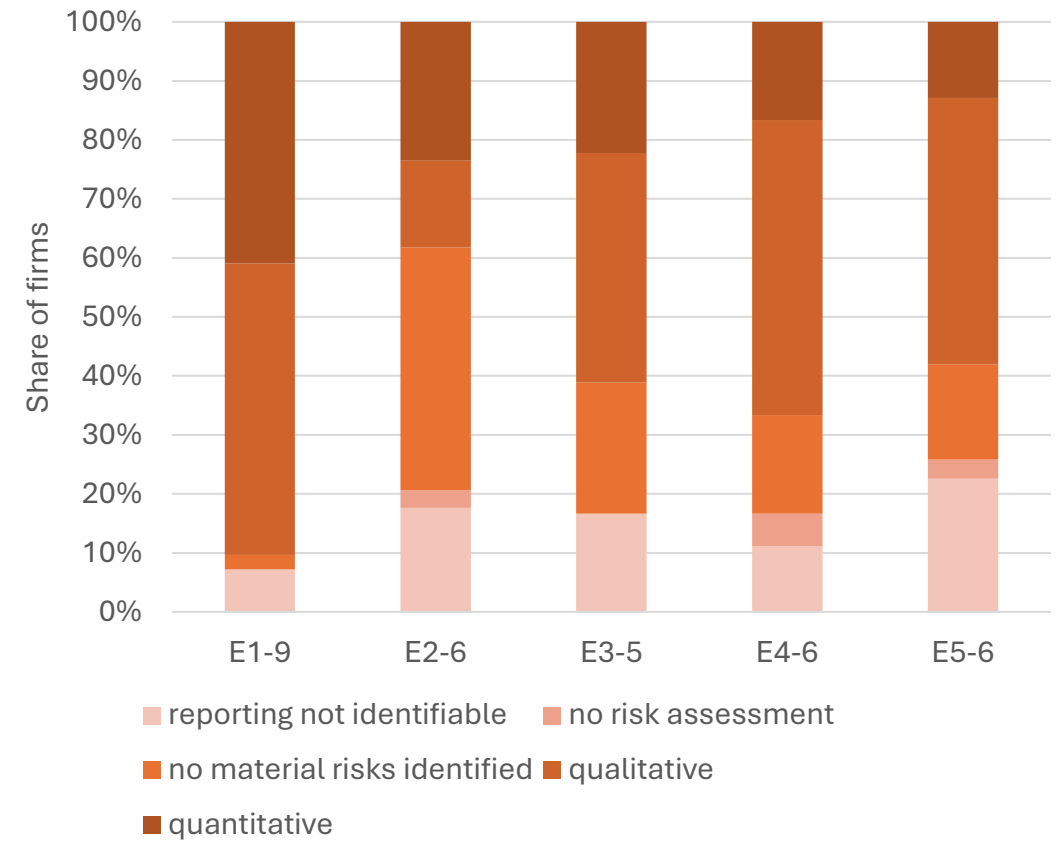
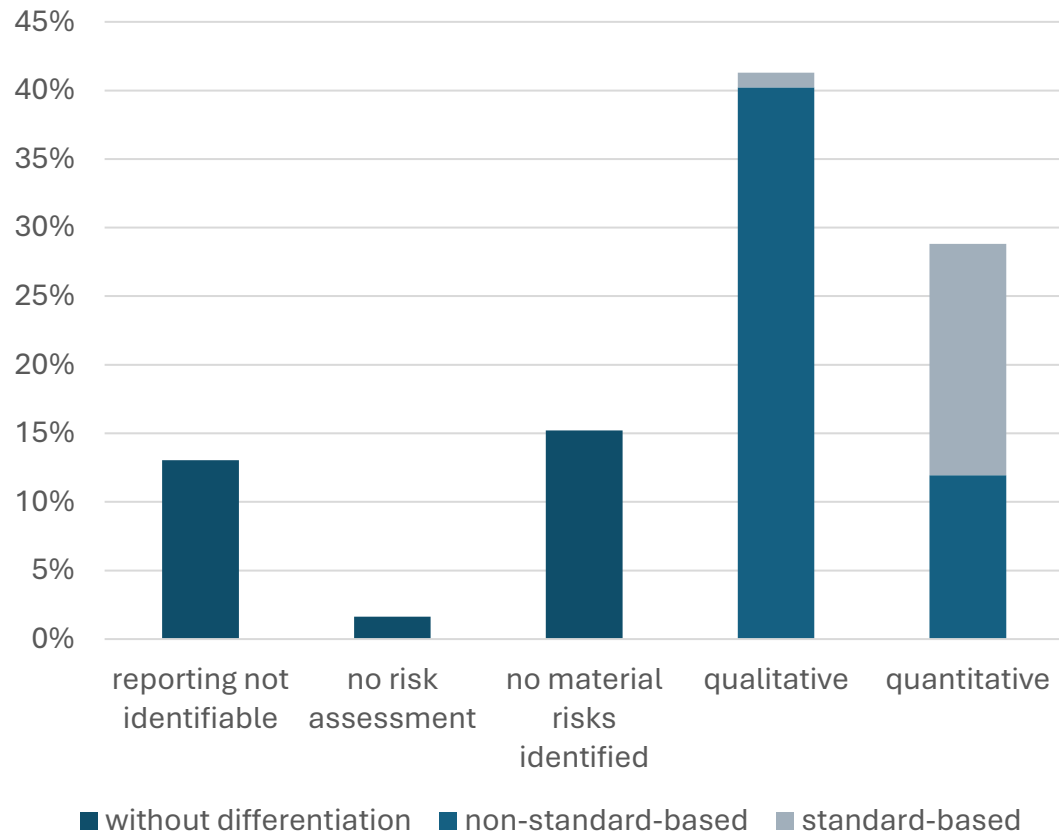
# 02

## Textual analysis

# Explanation of classifications

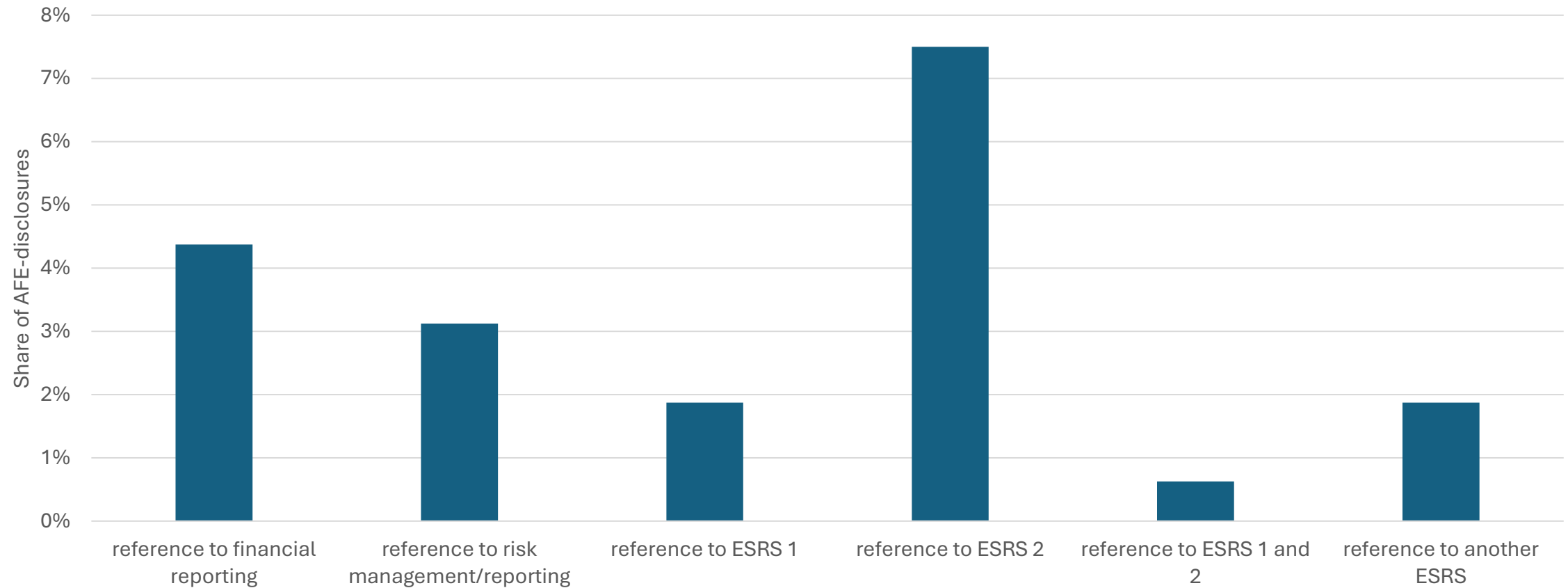
Classifications (Type of Reporting)	Definition/Classification criteria
<i>reporting not identifiable</i>	if (for us) the reporting on AFEs is not identifiable, even though the location is given in the firm's reporting matrix
<i>no risk assessment</i>	if the firm indicates that the DR is fulfilled, however no risk assessment is done by the firm
<i>no material risk identified</i>	if the firm indicates that the DR is fulfilled, but no material risk was identified
<i>qualitative (non-standard-based)</i>	only qualitative (no quantitative) information are reported
<i>qualitative (standard-based)</i>	only applicable for E1-9, if the „ <i>location of significant assets at material physical risk</i> “ is reported (datapoint 66(c))
<i>quantitative (non-standard-based)</i>	if a quantitative information was reported which is <b>not</b> specified by the according AFE-standard (in the ESRS)
<i>quantitative (standard-based)</i>	if a quantitative information was reported which is specified by the according AFE-standard (in the ESRS)

# Type of Reporting



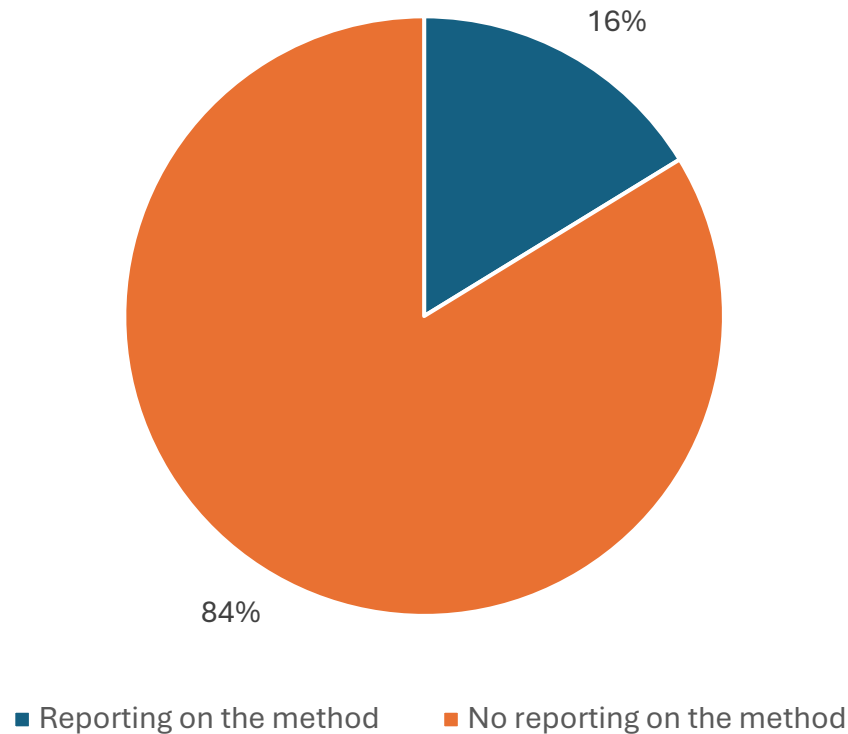
# References

AFE-disclosures which could not be identified (classification=„reporting not identifiable“, slide 13) were excluded.  
The graph indicates the presence of a reference in firms' disclosures. In all cases, this reference is accompanied by additional reported content.

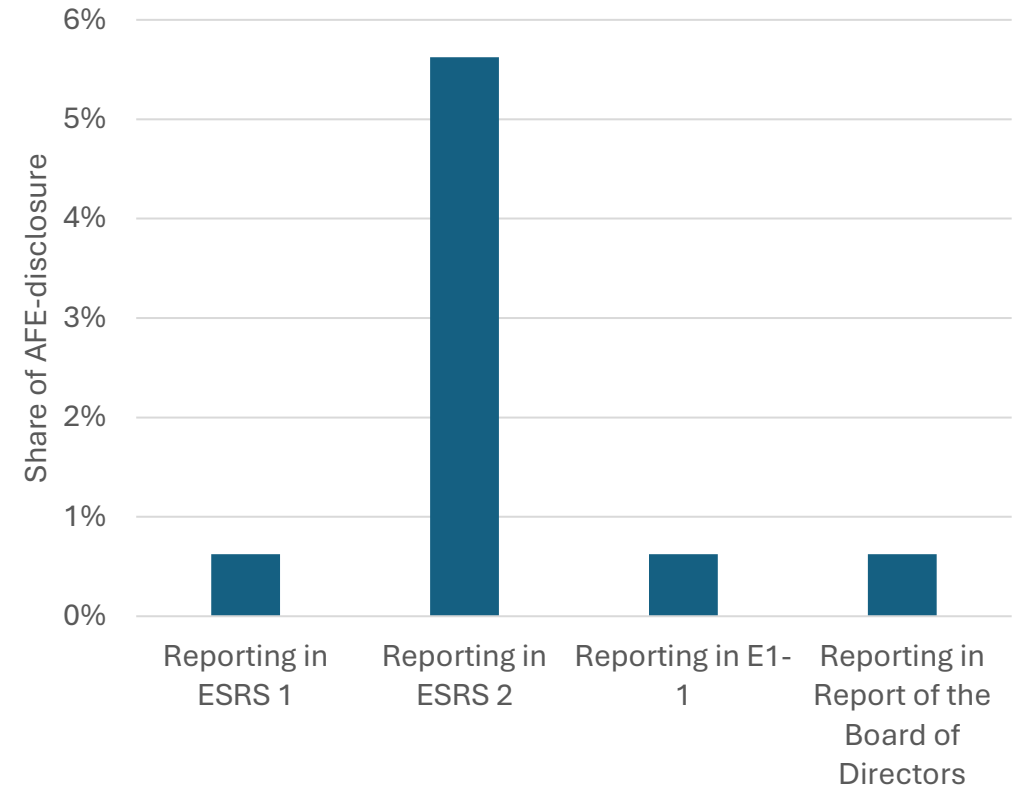


# Other Reporting Aspects

AFE-disclosures which could not be identified (classification=„reporting not identifiable“, slide 13) were excluded.



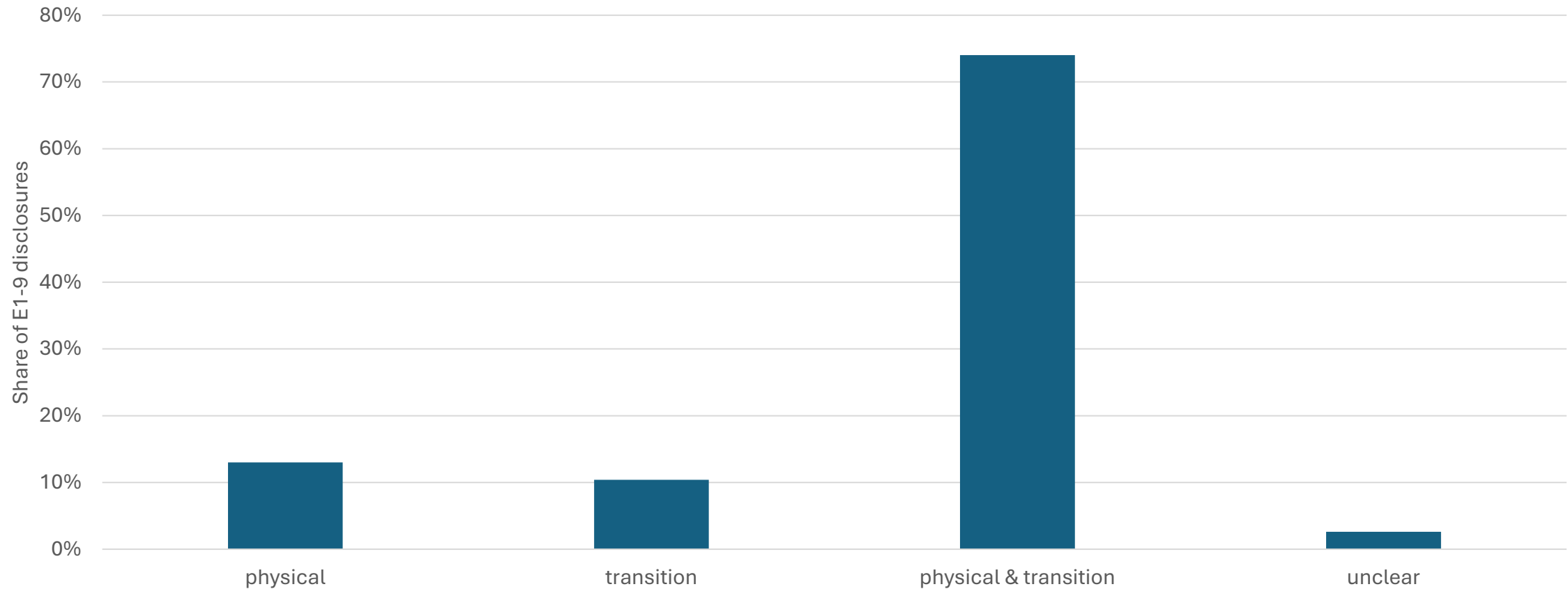
This graph refers to the method used to assess financial effects. Many firms report on their risk assessment methods; however, this is not what is referred to here.



This graph only includes disclosures that were not included in the reference graph because we differentiate between two types of references: (1) reporting in a separate paragraph that focuses on AFEs with reference to other reporting parts, and (2) reporting on AFEs in a reporting part that mainly focuses on another topic.

# To what type of risk does the reporting refer? (E1-9)

AFE-disclosures which could not be identified (classification=„reporting not identifiable“, slide 13) were excluded.

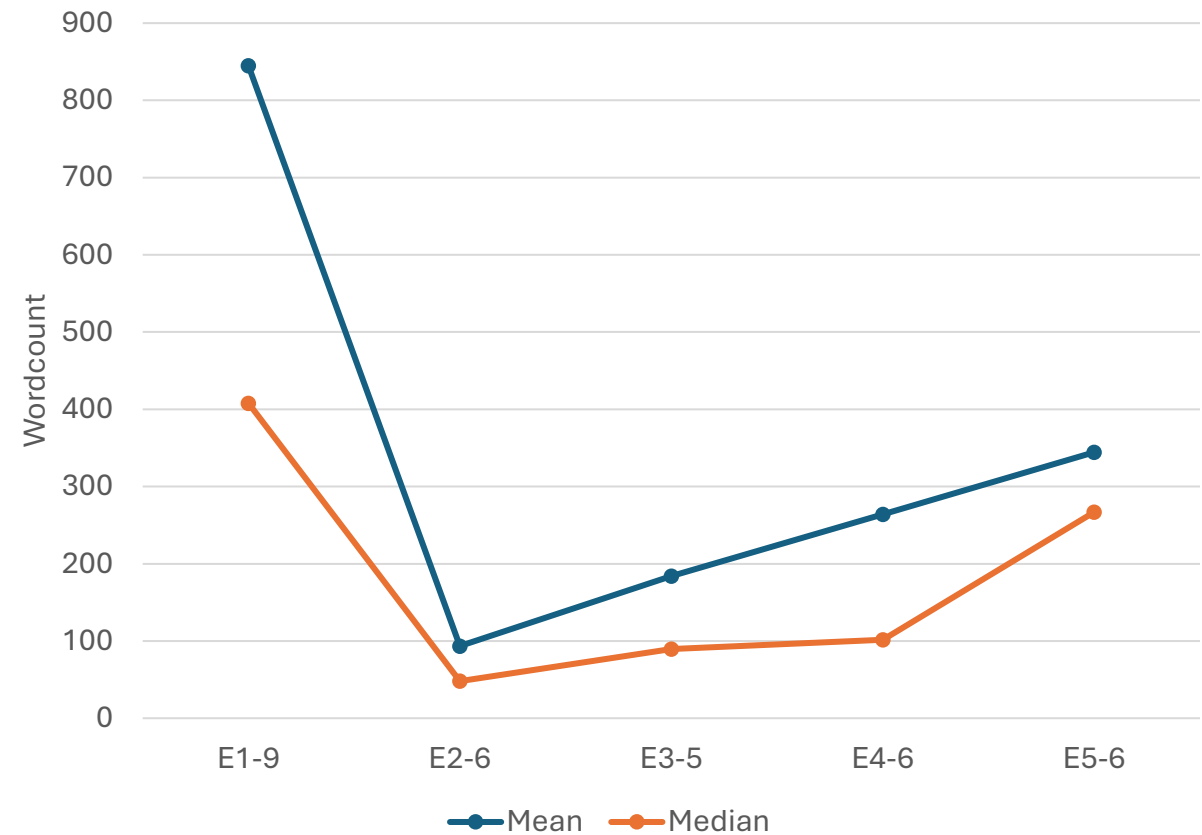




# Wordcount

	N	Mean	Std. dev.
E1-9	83	844.98	1250.11
E2-6	34	93.47	112.73
E3-5	18	183.89	289.31
E4-6	18	263.83	379.36
E5-6	31	344.45	315.48

	Min	Q1	Median	Q3	Max
E1-9	0	120	408	1036	6318
E2-6	0	26	48	128	463
E3-5	0	46	89.5	182	1214
E4-6	0	43	101.5	236	1271
E5-6	0	73	267	629	956



# Wordcount depending on the Type of Reporting

AFE-disclosures which were classified as „reporting not identifiable“ (slide 13) were not excluded in this graph as firms indicate the page(s) on which the AFE-disclosure can be found. This information is the basis for the text which itself is the basis of the information on the wordcount.

