

Expanding SDGs Monitoring with non-traditional data sourcing



Beate Hollweg/ UN SDG / 12 April 2023



European Environment Agency



Our core tasks include:

- **supporting policy** development and key global processes;
- offering **analytical expertise**;
- providing and maintaining an **efficient reporting infrastructure** for national and international data flows.

In collaboration with our partner network, Eionet, we **inform decision-makers and the public** about the state of Europe's environment, climate change and wider sustainability issues.



The EU Green Deal: Europeans Green Growth Strategy

Climate Neutrality * Resilient Housing * Circular Economy * Zero Pollution * Healthy Ecosystems



<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52019DC0640&from=ET>

European Green Deal –
Farm to Fork Strategy
for Sustainable Food

Strategic recommendations Industry4Europe

Sustainability and
circularity as
competitive
opportunities for
European industry

BIC supports New Industrial Strategy for Europe

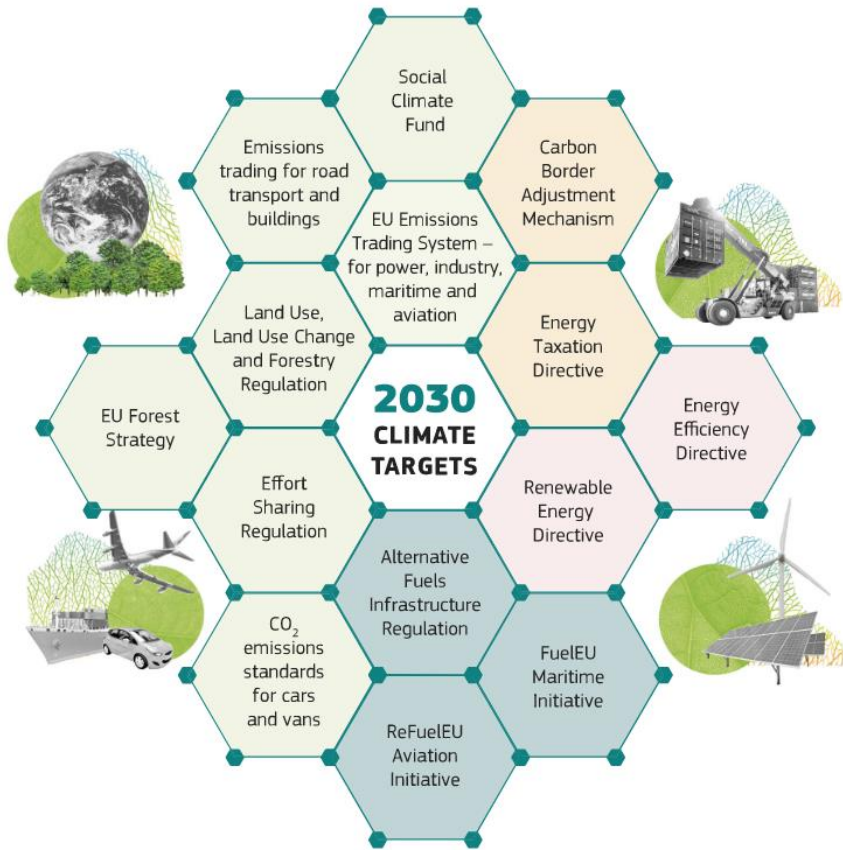
European industry
should become
frontrunner in clean
technology

Taxonomy/Corporate Sustainability Reporting Directive: Where do they belong to?

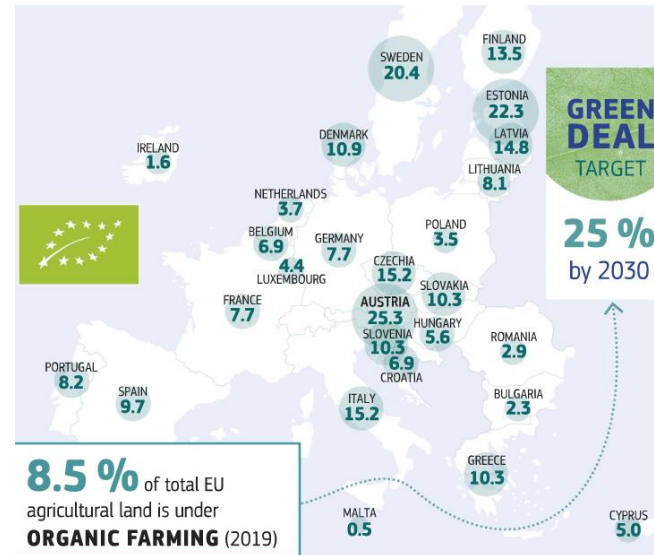
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The EU Green Deal: 3 Steps Targets, Rules and Finance



Setting Targets

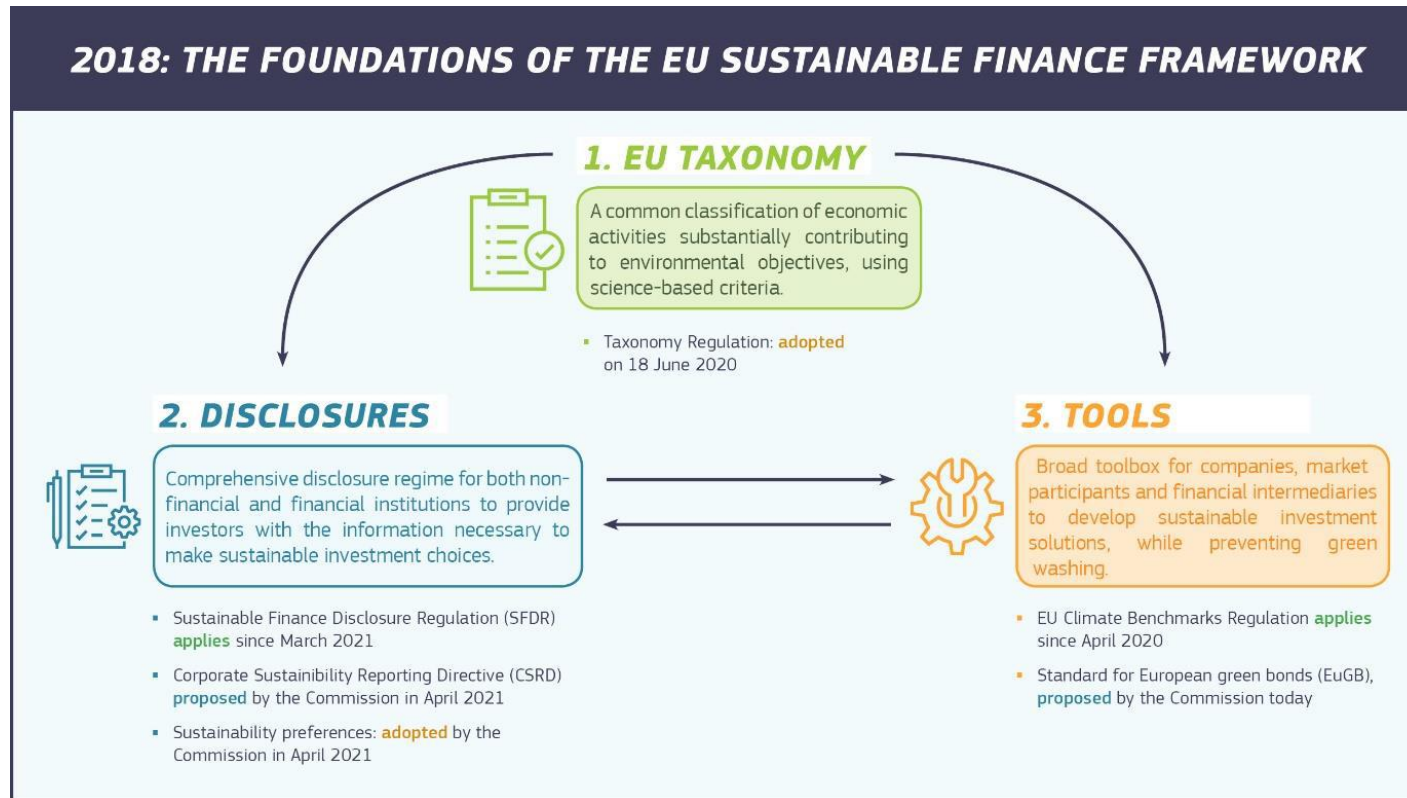


Changing Regulatory Framework (CSRD/SFDR/ETS...)



Financing the Great Transition

Sustainable Finance in Europe: New Data Sources to Monitor Progress



- Taxonomy
- Benchmark Regulation/European Green Bond Standard
- Sustainable Finance Disclosure Regulation
- Corporate Sustainability Reporting Directive

https://eur-lex.europa.eu/resource.html?uri=cellar:9f5e7e95-df06-11eb-895a-01aa75ed71a1.0001.02/DOC_1&format=PDF

Measuring the World

TAXONOMY: Classification



CSRD: Reporting

Topical standards Environment

DRAFT EUROPEAN SUSTAINABILITY
REPORTING STANDARDS

ESRS E1
Climate change



November 2022

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DRAFT EUROPEAN SUSTAINABILITY
REPORTING STANDARDS

ESRS E2
Pollution



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REPORTING STANDARDS

ESRS E3
Water and marine resources



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Taxonomy: How to decide what is in.



Platform on Sustainable Finance: EU Taxonomy for Sustainable Activities

Report of the technical working group



Technical Screening Criteria



SUBSTANTIAL CONTRIBUTION to **ONE** of the six environmental objectives

WITHOUT DOING SIGNIFICANT HARM to one of the five other environmental objectives

- (1) Climate Change Mitigation
- (2) Adaptation to Climate Change
- (3) Protection of Healthy Ecosystems
- (4) Protection of Water and Marine Resources
- (5) Circular Economy
- (6) Prevention of Pollution



EU Taxonomy: Example



Page 542: Activity that substantially contribute to healthy ecosystems:

1. Restoration plan

1.1 The activity takes place in an area that is subject to an area-based Restoration Plan or an equivalent instrument, as set out in Restoration law (under preparation) and/or any other relevant national law...,

...

Without doing significant harm to the other 5 environmental objectives as defined by [Taxonomy Regulation](#)

CSRD: European Sustainability Reporting is Guidance on Change

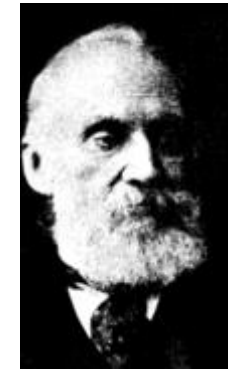
“If you can’t measure it, you can’t manage it.” Peter Drucker



Sustainability Standards: what you need to identify and to manage

“If you can’t measure it, you can’t improve it.” William Thomson

Identifying Impacts & measuring effects is guiding businesses through change.



Assessing materiality of environmental degradation and companies' impact

- increase awareness
- provide additional data
- guidance for transition

Non-Binding Guidelines

SCALE * SCOPE * IRREMEDIABILITY

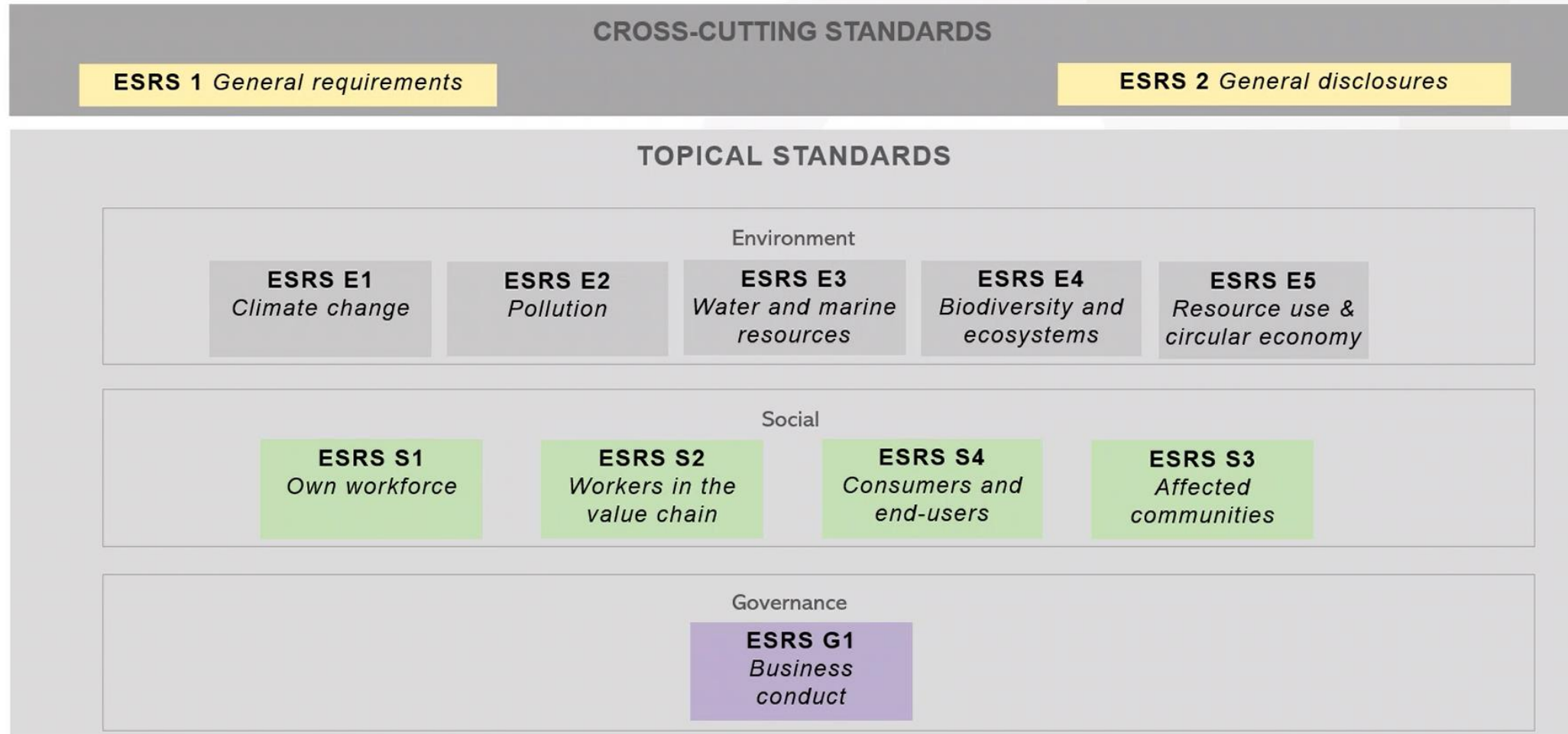
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Set 1 draft ESRS: overview



Topical standards

Environment

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS E1
Climate change



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ESRS E2
Pollution



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ESRS E3
Water and marine resources



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ESRS E4
Biodiversity and ecosystems



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ESRS E5
Resource use and circular economy



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Draft ESRS E4 Biodiversity and ecosystems

Draft ESRS E5 Resource use and circular economy

5 Standards for six environmental objectives:
Climate Change Mitigation and Adaptation
Healthy Ecosystems
Protection of Water and Marine Resources
Circular Economy
Prevention of Pollution

EFRAG: European Standard Setter – Advisor to the EU Commission

<https://efrag.org/About/Governance/40/EFRAG-Sustainability-Reporting-Board>

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Voluntary TRANSITION PLANS: At the core of forward-looking reporting – biodiversity

AR 1. Targets under paragraph 16 may be: (a) ..targets under the **EU Nature Restoration Plan**:

i. - The decline of pollinators is reversed.

...

iii. - At least 25% of agricultural land is under organic farming management, and the uptake of agro-ecological practices is significantly increased.

...

...

vi. - At least 25,000 km of free-flowing rivers are restored.

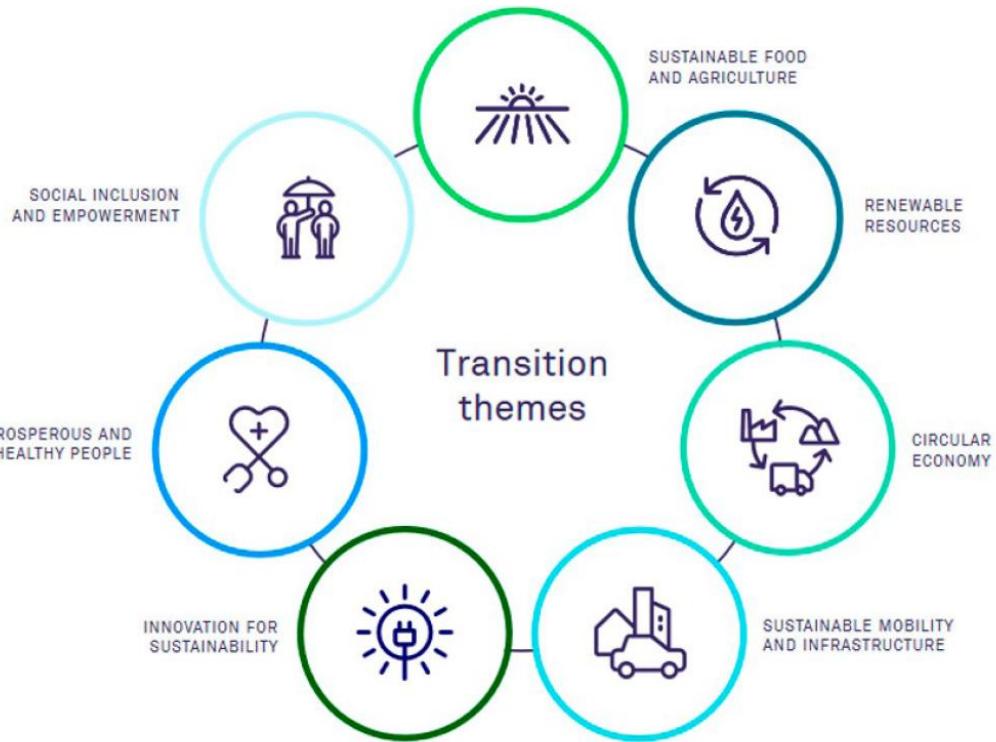
...

viii. - The negative impacts on sensitive species and habitats, including on the seabed through fishing and extraction activities, are substantially reduced to achieve good environmental status.

Adverse Impact Indicators, CapEx-OpEx, Impacts, Risks & Opportunities



European Sustainability Reporting is Guidance on Change



Seven transition themes of Impact Equities & Bonds

CSRD helps you to identify your transitional needs

The EU Taxonomy tells you what to invest in.

Transition Indicators

- Instrumental for Management
- Essential for Financial Decision

SDGs and Sustainability Reporting in Europe

- New Data from Taxonomy aligned investment – provided by selected listed companies
- New Data from economic transition – provided by selected listed companies
- Single Data Access Point in Europe
- Complementing other data sources

Expanding SDGs Monitoring with no traditional data sourcing

Thanks for your attention



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