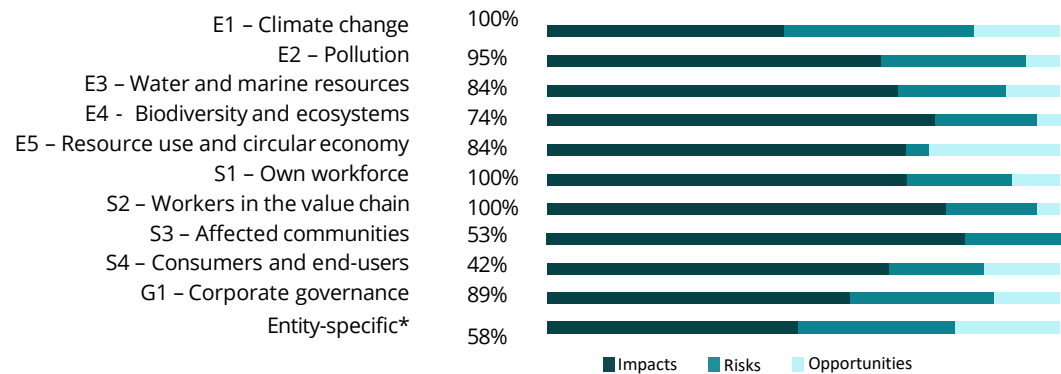


Material topics

The energy and chemical companies analyzed demonstrate strong alignment on material topics, particularly environmental matters like waste and circularity.

Percentage of companies analyzed disclosing material IROs for each European Sustainability Reporting Standards (ESRS) topic and the proportion of material IROs per ESRS topic.



Source: Deloitte Global

- In addition to Climate change (E1), among the energy and chemical companies analyzed, the most material environmental matters are Pollution (E2), Water and marine resources (E3), and Resource use and circular economy (E5).

Cross-cutting themes and interdependencies are noted:

Water and circularity connection: Many water disclosures intersected with circular economy. For example, reuse of wastewater as energy, water-efficient product design, and reducing water footprint in supply chains.

Pollution and circularity linkage: Waste management is a shared concern, with waste generation contributing to pollution risks and circular economy initiatives offering mitigation opportunities.

Regulatory and operational risks: Across material environmental topics, companies faced increasing regulatory pressures, operational risks (incidents, asset failures), and reputational risks linked to environmental compliance and performance.

- Around half of the companies that **disclosed entity-specific topics or sub-topics** identified material IROs related to **business-model transformation and resilience**, covering matters such as portfolio shifts to circular or bio-based products, energy security, and broader supply-chain robustness.
- All companies analyzed concluded **Workers in the value chain (S2)** as being material and mainly described negative impacts on value-chain workers (health and safety, forced/child labor, working hours) and related risks; only a third mentioned opportunities.

Climate change disclosures in spotlight

Climate change adaptation

- Climate-risk considerations were integrated **into Enterprise Risk Management (ERM)** for most of the energy and chemicals companies analyzed.
- Approximately 90% of companies analyzed assessed both a **Paris-aligned scenario** (1.5 °C) and a **≥4 °C “worst case” scenario** for climate risks.
- Energy companies flagged **transition risks** (e.g., regulations, market demand shifts, litigation) as their top concern, whereas chemical companies most often cited **water-related physical risks** (e.g., flooding, heat-driven water stress) as the primary climate change risk.

Climate change mitigation

- Across the 19 companies analyzed, 17 have set public climate-related targets showing a strong focus on addressing climate change.
- 14 of companies analyzed set **net-zero targets** by 2050 or sooner with 11 companies including Scope 3 GHG emissions as part of their targets. Material Scope 3 categories noted by the majority (over 70%) of companies analyzed were Categories 1 (Purchased goods and services), 3 (Fuel and energy-related activities) and 11 (Use of sold products).
- Of the 19 companies analyzed, 14 state that their **targets are 1.5°C aligned** – yet only six of those making the claim have obtained an external validation of the alignment of those targets by SBTi (Science Based Targets initiative).
- Companies predominantly used **the SBTi methodology** to set the targets. Where SBTi guidance is still lacking (e.g., oil and gas), companies benchmarked against IPCC temperature-pathway scenarios and IEA transition outlooks, supplemented by their own carbon-pricing frameworks or third-party assessments.

About CSRD Insights Research

Deloitte Global has conducted analysis of a sample of the Wave 1 CSRD reports. A comprehensive report with more insights and observations per industry is coming soon.

About Industry series

For the Energy & Chemicals sector of the Energy, Resources, and Industrials Industry Card CSRD Report 2024, 19 companies were analyzed. Findings in this document are non-exhaustive in nature and are intended for information-only purposes.

Key assumptions and limitations

This analysis was limited solely to whether the selected reporting companies made certain disclosures, not whether such disclosures complied with ESRS or any other applicable reporting requirement. Deloitte Global expresses no view on the accuracy, completeness, quality, or materiality of any disclosures analyzed.
*Entity-specific matters, including entity-specific topics and sub-topics.

Additional terms and abbreviations used

IPCC - Intergovernmental Panel on Climate Change
IEA - International Energy Agency



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