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Veolia contribution to EFRAG public consultation on the project of the CSRD implementation guidance

1°) Notion of Gross Impact in the materiality assessment

Our first remark is about the notion of Gross impact which is exposed in the Draft EFRAG IG1 - Materiality Assessment - FAQ 23 page 44/47 “ When an undertaking has actions in place to avoid, minimize, restore or compensate environmental impacts, shall it report on the impacts before those actions ?”

The subsequent §.215 states that “**environmental impacts are considered gross (i.e. before any mitigating actions)**”. Whereas this idea is good in order to fully illustrate the actual contribution of the undertaking through its policies, action plans and targets, we fear that the notion of “before any mitigation action” may in many cases be theoretical and hard to characterize in absolute terms.

e.g. : if we consider the impact on the climate in terms of GHG emissions for the part of our activity which consists in improving the energy efficiency of buildings, on the basis of short term contracts (typically 3 years), what would be the impact “before any mitigating action” when the situation found at the beginning of the contract is already the result of successive action plans deployed by previous service providers. It is clear that the notion of “before any mitigation action” is in this case very theoretical and could lead to endless disputes to evaluate our actual contribution to mitigate the impact.

The risk is also that sticking strictly to the definition of “impact before any mitigating action” would lead different undertakings to make arbitrary gross impact assessments in an inconsistent way, which would result in unclear “true” performance interpretation by the stakeholders.

Therefore, it seems to us necessary to **give to the undertakings the option to concretely expose the situation that is relevant to consider as a reference** in order to define the impact “before action” and subsequently to explain the actual result obtained through its actions.