

The Quickguide to CSRD



What is the CSRD?

The CSRD is the European Union's Corporate Sustainability Reporting Directive.

As part of the 'European Green Deal' program, the CSRD requires companies with business in the EU to collect and report their sustainability data in a standardised and verifiable way.

This will make it easier for investors and other stakeholders to evaluate a company's ESG risks and opportunities.



The CSRD requires a company to disclose:

How it impacts
people and the environment

How it is likely to be impacted
by climate change and other social and environmental challenges



50K+
companies will
be required
to report

This represents
75%
of all EU
companies'
turnover

Acronyms you need to know



The CSRD replaces the NFRD. Companies reporting under the NFRD will be among the first to report under the CSRD.

CSRD

Corporate
Sustainability
Reporting Directive

The EU's reporting directive for non-financial disclosures.

[Learn more](#)

EFRAG

European Financial
Reporting Advisory
Group

The advisory group commissioned by the European Union to develop the CSRD.

[Learn more](#)

ESRS

European
Sustainability
Reporting Standards

The reporting standards companies need to apply when reporting under the CSRD.

[Learn more](#)

NFRD

Non-Financial
Reporting Directive

This predecessor of the CSRD has required around 11,700 EU-based companies to report their ESG performance since 2018.

[Learn more](#)

When will you need to report?

That depends on:



1. Size and shareholding

Large and publicly listed companies with shares trading in the EU are affected first



2. Place of incorporation

Companies incorporated in the EU are required to report earlier than those outside the EU



3. Existing reporting under the NFRD

Companies already reporting under the NFRD are first to be required to report under the CSRD

Timeline

In each case, the report for a financial year is due the following calendar year. So a company due to start reporting in 2028 must issue its FY28 report in the 2029 calendar year.

2024

Companies already included in the NFRD

Includes all large public-interest companies in the EU markets exceeding 500 employees

2025

All other large companies operating in the EU

Includes any company that ticks at least two of:

- **>€50m** revenue
- **>€25m** total balance sheet
- **>250 employees** on average per FY

Officially called 'large undertakings' in the CSRD

2026

SMEs listed on EU-regulated markets

An SME is any company that:

Does not meet the threshold of a large company (left)

Does not meet the threshold of a micro-company (below)

SMEs have the option to opt-out until 2028

To be listed, a company can have debt or equity listed on an EU-regulated market

2028

Non-EU companies with at least one EU subsidiary or branch

A subsidiary is a separate legal entity. A branch is an office of the parent company.

Companies are exempt if their total EU turnover is **<€150M**

Who is exempt?

Subsidiaries

if the subsidiary is included in the parent company's report

Listed micro-companies

Ticks two of:

- <900K** revenue
- <450K** total balance sheet
- <10 employees** on average per FY

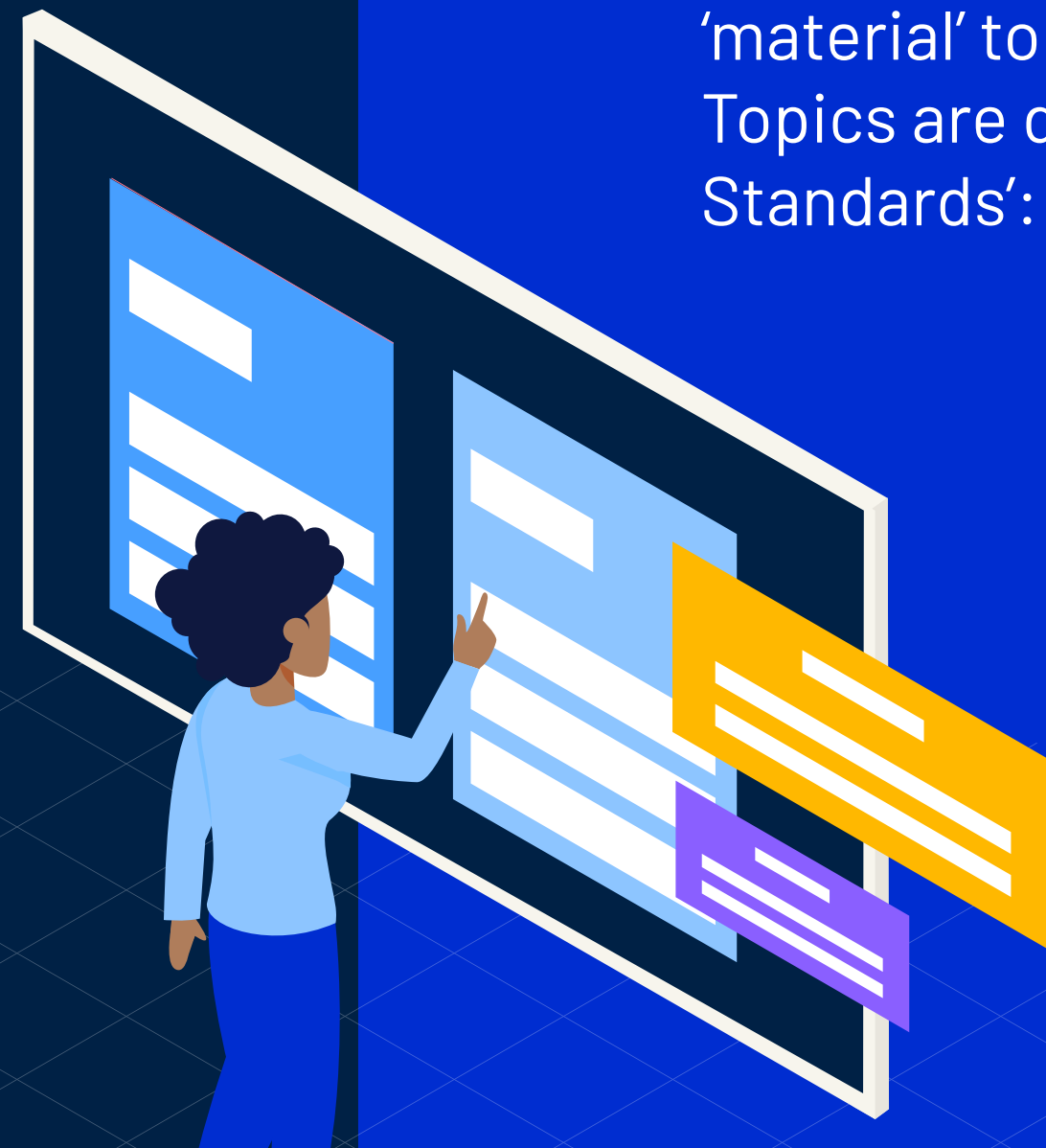
Non-listed SMEs

can report on a voluntary basis

What do you need to report on?

This is defined by the European Sustainability Reporting Standards (ESRS).

There are 12 standards you need to know about. Together they define what you need to report on, as well as how you need to report.



General requirements

These are things everyone needs to report on, including information on stakeholders, value chain and 'double materiality'. They are defined by the 'Cross-cutting Standards':

ESG topics

Companies need to report on all Environment, Social and Governance topics that are 'material' to their organisation. Topics are defined by the 'Topical Standards':

ESRS 1

ESRS 2

ESRS E1-E5

ESRS S1-S4

ESRS G1

Let's look at them one by one

General requirements

ESRS 1

Defines how to prepare your report as well as definitions of key CSRD concepts:

- **Double materiality.** The topics most material to your organisation.
- **List of stakeholders.** Who your company impacts.
- **Your value chain,** from start to finish
- **A sustainability statement** summarising your material topics and impacts
- **Relevant linkages** to connected information

It also tells you how to

- Report qualitative information
- Do due diligence
- Choose your time horizons
- Prepare and present information

Double materiality is the big news here

Before reporting, you need to know which topics you will report on.

That means you must first undertake a double materiality assessment. This determine which ESG topics are most relevant for your organisation.

Double materiality requires you to look at each ESG topic from two points of view:

- 1 Impact materiality**
How your company's actions impact people and the planet
- 2 Financial materiality**
How ESG topics are likely to affect your business financially

All material topics must be reported on and looked at over the short, medium and long term.

ESRS 2

Defines general disclosures and what you need to disclose on each of the 'topical standards'.

It explains that, for each topic you report on, you need to outline:

- 1. Preparation:** how you gathered the information provided
- 2. Governance:** how the topic is overseen
- 3. Strategy:** what you are doing on the topic
- 4. Management:** how you are managing impact, risk and opportunities around the topic
- 5. Metrics and targets:** quantitative data



Environmental topics

are defined by

ESRS E1-E5



E1

Climate Change

Mitigation:

How you're helping limit the increase in the global average temperature to 1.5°C above pre-industrial levels

Adaptation:

Your process of adjustment to actual and expected climate change

E2

Pollution

Air, water and soil:

Your impacts on them, and how you are preventing, controlling and reducing them

Substances of concern:

Production, use and/or distribution and commercialisation of substances of concern

E3

Water and marine resources

Surface water & groundwater:

Your water consumption due to creation of products and services. Your water withdrawals and discharges

Marine resources:

Extraction and use of resources and associated economic activities

E4

Biodiversity and ecosystems

Your relationship to terrestrial, freshwater and marine habitats, ecosystems and population of related fauna and flora, including diversity within species, between species, and of ecosystems and their interrelation with indigenous peoples and other affected communities

E5

Resource use and circular economy

Resource inflows:

Including circularity of materials, use of renewable and non-renewable resources

Resource outflows:

Including information on products and materials

Waste:

Creation and disposal

Social topics

are defined by

ESRS S1-S4



S1

Own workforce

Working conditions, equal opportunities, and other work related rights of:

Employees

People who are in an employment relationship with the company

Non-employees

People who either have contracts with the company to supply labor, or people provided by companies engaged in employment activities

S2

Workers in the value chain

Working conditions, equal opportunities, and other work related rights or workers not included in S1: *Own Workforce*

S3

Affected communities

Communities' economic, social, civil, political and cultural rights, including the rights of indigenous people

S4

Consumers and end users

Information-related impacts for consumers and/or end-users

Personal safety of consumers and/or end-users

Social inclusion of consumers and/or end-users



Governance

is defined by

ESRS G1

G1

Business conduct

Including:

- Corporate culture
- Protection of whistleblowers
- Animal welfare
- Political engagement
- Management of relationships with suppliers including engagement practices
- Corruption and bribery

Step by step

There is no one way to approach CSRD reporting, however this step by step approach gives you a guideline to work to:



1. Know your timeline

Understand if your company is required to report and, if so, when



2. Double Materiality

Find your impacts, risks and opportunities through a double materiality assessment



3. Find your gaps

Identify gaps between the data points and disclosures ESRS requires you to report on, and what you currently have available



4. Collect your data

Collect the data you have and make a plan to collect new data that will help close your reporting gaps



5. Draft your report

Assemble all the collected data and other information into your CSRD report



6. Get assurance

All CSRD reports need to be assured by a third party, however you can start with limited assurance



7. Publish your report

Bundle it with your financial report and upload to it to the [European Single Access Point](#)

Ready to begin?

If your company isn't prepared for CSRD, you're not alone. A [recent survey](#) found:

88%

of major Western European companies said they do not yet feel ready to meet the expectations of the CSRD.

South Pole can help

Our global team of experts has a world of experience supporting companies with environmental CSRD topics

Gap analysis

Support understanding what your company is ready to report on and where you need to improve.



Double materiality

Help define the topics that are in or out of scope for CSRD, based on their materiality to your business.



Specialised support

Once your material topics are defined, we can help you close any gaps in your environmental ESRS reporting. The South Pole team has years of experience and sector specific methodologies for all these ESRS requirements.



ESRS E1 Climate change



Carbon footprint



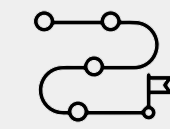
Corporate climate targets



Scenario analysis of climate risks & opportunities



Climate resilience

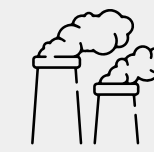


Climate transition plans



Internal carbon pricing

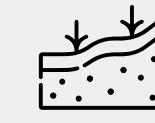
ESRS E2 Pollution



Pollution to air modelling



Pollution to water modelling



Pollution to soil modelling



Substances of concern modelling



Packaging waste footprinting

ESRS E3 Water & marine resources



Corporate water stewardship strategy



Scenario analysis of water risks & opportunities

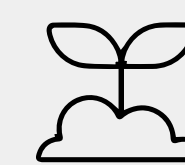


SBTN for freshwater

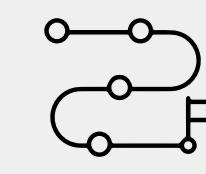
ESRS E4 Biodiversity & ecosystems



TNFD nature risk assessment



SBTN for land



Biodiversity transition plans



Biodiversity resilience modelling

ESRS E5 Resource use & circular economy



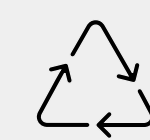
Plastic footprint



Waste accounting



Circular economy targets



Circular economy strategy & resilience



Resource inflow & outflow assessment

Get started

Find your CSRD
reporting gaps with our
CSRD gap tool.

Try it



South Pole



Established
2006



Experts in
+40
offices and
representations



Over
1,000
companies helped
to reduce their
environmental impact

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