

The logo for meterd, featuring the word "meterd" in a white, lowercase, sans-serif font centered within a solid dark blue square.

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Simplifying CSRD Compliance: A Detailed Guide for European Businesses

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1. Introduction to the CSRD Directive

The Corporate Sustainability Reporting Directive (CSRD) is one of the most ambitious regulatory frameworks introduced by the European Union (EU) to enhance corporate transparency and accountability in sustainability. It builds upon the Non-Financial Reporting Directive (NFRD) but significantly expands its scope and depth to address the increasing demand for reliable sustainability data from stakeholders, investors, and policymakers.

The CSRD mandates detailed Environmental, Social, and Governance (ESG) reporting, providing a standardized approach to measuring and disclosing sustainability impacts. Its primary goals are:

1. **Transparency:** Ensuring that businesses disclose comparable, reliable, and auditable sustainability information.
2. **Accountability:** Pushing companies to integrate sustainable practices into their operations.
3. **Alignment:** Supporting the EU's broader objectives under the European Green Deal, particularly the goal of achieving climate neutrality by 2050.

With a phased rollout starting in 2024, the CSRD will bring approximately 50,000 businesses under its purview, compared to the 11,000 previously covered by the NFRD. This directive marks a pivotal moment in the journey toward a sustainable economy, making sustainability reporting as essential as financial reporting.

2. Who Does CSRD Impact?

The CSRD applies to a wide array of businesses across the EU and beyond. Its scope is defined by specific thresholds, and its impact grows over time:

Primary Thresholds

The CSRD applies to companies that meet at least two of the following criteria:



Phased Rollout

The CSRD's requirements will affect different types of businesses in phases:

- **2024:** Large publicly listed companies already reporting under NFRD.
- **2025:** Large non-listed companies meeting the thresholds above.
- **2026:** SMEs listed on regulated markets.
- **2028:** Non-EU companies generating over €150 million in revenue within the EU.

Important Supply Chain Implications

Although smaller businesses may not fall directly under CSRD, many will be required to comply indirectly through their relationships with larger companies. This is particularly relevant for Scope 3 emissions reporting, which demands data from suppliers and partners within a company's value chain.

CSRD Compliance Timeline



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3. Key Challenges and Opportunities under the CSRD

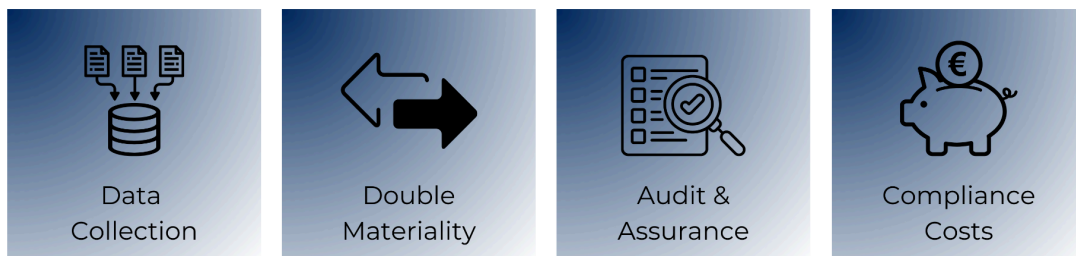
Challenges

1. **Data Collection:** Businesses must gather detailed and accurate data across all areas of their operations and supply chains.
2. **Double Materiality Assessment:** Companies need to address both how their activities impact sustainability and how sustainability issues affect their business.
3. **Audit and Assurance:** Mandatory independent verification of sustainability reports adds complexity.
4. **Compliance Costs:** Significant investments in systems, technology, and personnel will be required.

Opportunities

1. **Operational Optimization:** CSRD compliance encourages companies to uncover inefficiencies and adopt resource optimization strategies.
 - **Example:** A manufacturing company identifies excessive energy consumption during compliance checks and reduces costs by 20% by implementing renewable energy solutions.
 2. **Enhanced Market Trust:** Transparent ESG reporting fosters trust among investors, customers, and regulators.
 3. **Innovation and Leadership:** Early compliance can position businesses as sustainability leaders in their industries.
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CSRD Challenges for European Businesses



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4. Basics of CSRD Reporting and Breakdown of ESRS Areas

4.1 Core Principles of CSRD Reporting

- **Double Materiality:** Businesses must disclose both their external impacts on the environment and society and internal risks from sustainability issues.
- **Independent Assurance:** Reports must be verified by external auditors.
- **Standardized Framework:** Reports must adhere to the European Sustainability Reporting Standards (ESRS).

4.2 Breakdown of ESRS Areas

Environmental Standards (ESRS E):

- **E1: Climate Change:**
 - Disclosures include Scope 1 (direct), Scope 2 (indirect energy), and Scope 3 (value chain) emissions.
 - Example: A logistics company reports emissions from delivery vehicles and warehousing.
- **E2: Pollution:**
 - Focus on reducing pollutants like CO₂, NO_x, and particulate matter.
 - Example: Reporting on air and water pollution from production facilities.
- **E3: Water and Marine Resources:**
 - Disclosure of water usage, discharge, and recycling.
 - Example: A beverage company quantifies water consumption per liter of product.
- **E4: Biodiversity and Ecosystems:**
 - Reporting on biodiversity impacts from land use and resource extraction.
 - Example: A mining company assesses the ecological effects of its operations.
- **E5: Resource Use and Circular Economy:**
 - Metrics on waste reduction, recycling, and product life cycle impacts.

Social Standards (ESRS S):

- **S1: Own Workforce:**
 - Metrics on employee diversity, health, and safety.
 - Example: Reporting workplace accident rates in a manufacturing plant.
- **S2: Workers in the Value Chain:**
 - Reporting on working conditions of suppliers and contractors.
 - Example: Auditing labor practices in outsourced factories.
- **S3: Affected Communities:**
 - Disclosures on how operations impact local communities.
 - Example: A construction project reports on community engagement and relocation efforts.
- **S4: Consumers and End-Users:**
 - Reporting product safety and ethical marketing practices.

Governance Standards (ESRS G):

- **G1: Business Conduct:**
 - Metrics on anti-corruption, ethical practices, and governance structure.

Sector-Agnostic Standards				Sector-Specific Standards (coming later)
Cross Cutting Standards	Topical Standards			SME-Proportionate Standards (coming later)
	Environment	Social	Governance	
	ESRS 1 General Principles	ESRS S1 Own Workforce	ESRS G1 Business Conduct	
	ESRS 2 General Disclosures	ESRS S2 Workers in the Value Chain		
	ESRS E3 Water & Marine Resources	ESRS S3 Affected Communities		
	ESRS E4 Biodiversity & Ecosystems	ESRS S4 Consumers & end-users		
	ESRS E5 Resource use & Circular Economy			

CSRD ESRS
OVERVIEW &
BREAKDOWN

CSRD ESRS
OVERVIEW &
BREAKDOWN

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5. How Meterd Addresses CSRD Challenges

Meterd is a cutting-edge smart utility management platform designed to optimize resource usage in facilities and streamline sustainability reporting for businesses of all sizes. By combining advanced IoT technology, real-time data analytics, and sustainability consulting, Meterd provides a comprehensive solution for companies navigating the complexities of CSRD compliance. Our platform offers businesses the tools they need to collect, analyze, and report data across environmental (E) metrics in line with European Sustainability Reporting Standards (ESRS). Beyond compliance, Meterd helps businesses uncover inefficiencies, reduce operational costs, and align with their long-term sustainability goals.

What does the Meterd platform offer?

- **Seamless Data Collection Across Facilities:**

Meterd's IoT-enabled hardware collects accurate, real-time data on energy usage, water consumption, air quality, and other resource metrics directly from company facilities. This ensures a reliable foundation for Scope 1, Scope 2, and Scope 3 emissions reporting under ESRS E1.

- **Automated Analysis and Reporting:**

The platform automates data aggregation and analysis, aligning results with CSRD requirements. This eliminates manual processes, reduces errors, and saves significant time for sustainability teams.

- **Enhanced ESG Monitoring:**

Meterd provides clients with dashboards that track ESG performance metrics in real-time. Facility managers and executives can monitor their compliance progress, ensuring timely corrective actions where needed.

- **Tailored Sustainability Consulting:**

Meterd combines its data-driven insights with advisory services to guide clients on short-term optimizations (e.g., adjusting HVAC systems) and long-term investments (e.g., renewable energy solutions).

- **Flexible Integration:**

The platform integrates seamlessly with existing building management systems (BMS) and expands to accommodate future sustainability initiatives, ensuring scalability and adaptability.

- **Compliance Advisory:**

Meterd facilitates full alignment with ESRS by identifying reporting gaps, advising on corrective actions, and preparing businesses for third-party assurance audits.

Detailed Case Studies: Real-World Impact of Meterd

Case Study 1: German Manufacturing Plant

- **Challenge:**

A large industrial facility in Germany struggled to collect comprehensive CO2 emissions data for CSRD compliance. Their manual processes were time-intensive and prone to errors, particularly in tracking Scope 1 and 2 emissions.

- **Solution Provided by Meterd:**

- Installed IoT-enabled smart meters to measure energy consumption at the device level, providing precise data for Scope 1 reporting.
- Integrated IoT gateways to consolidate data streams from production lines and HVAC systems.
- Automated dashboards allowed facility managers to identify inefficiencies, such as energy wastage during off-peak hours.

- **Results:**

- Annual energy costs reduced by €100,000.
- Assisted in compliance with ESRS E1 and ESRS E5.
- Improved transparency in reporting, fostering greater trust among investors.

Case Study 2: Polish Hotel and Conference Center

- **Challenge:**

A hotel chain in Poland faced difficulties tracking water and energy usage across its facilities, which are critical for ESRS E3 (Water Resources) and ESRS E1 (Climate Change). In addition, the hotel was not actively monitoring the indoor air quality within their buildings. Inconsistent data and a lack of actionable insights made reporting under CSRD a struggle.

- **Solution Provided by Meterd:**

- Deployed water flow sensors, energy meters and air quality monitors across guest rooms, kitchens, and conference spaces.
- Delivered a custom energy optimization plan focusing on heat pump performance and solar water heating.
- Constant Indoor Air Quality monitoring improved the health and safety environment for both the staff and the hotel's guests.
- Automated reporting tools helped the client prepare ESRS-compliant sustainability disclosures for their board and external stakeholders.

- **Results:**

- Reduced water consumption by 30% and energy costs by 25%.
- Ensured ESRS compliance while improving guest and employee comfort.
- Enhanced the hotel's reputation as a sustainable brand, attracting eco-conscious customers.

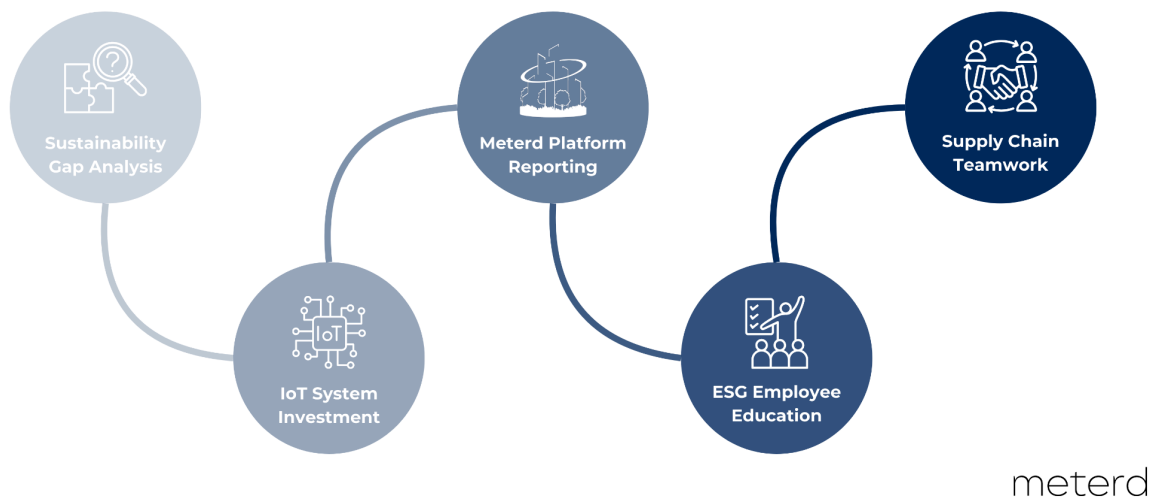
Conclusion

Meterd is more than a compliance tool—it's a partner in helping businesses achieve operational excellence, reduce costs, and drive meaningful sustainability outcomes. By addressing the unique challenges of CSRD compliance with innovative technology and tailored advisory services, Meterd empowers businesses to focus on what matters most: their growth and sustainability goals.

6. Practical Steps for CSRD Compliance

1. Conduct a sustainability gap analysis.
 2. Invest in IoT systems for precise data collection from facilities.
 3. Use Meterd's platform for streamlined compliance reporting.
 4. Train teams on ESG metrics and the double materiality principle.
 5. Collaborate with supply chain partners for Scope 3 emissions data.
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CSRD Roadmap for Companies



7. How can meterd help you navigate CSRD?

In an era where sustainability and regulatory compliance are more critical than ever, Meterd stands as your all-in-one solution to navigate these challenges effortlessly. By leveraging our smart IoT infrastructure and advanced AI analytics, you gain real-time insights into energy, water, and other utility usage—driving cost reductions of up to 40% on water and 50% on heating.

Beyond meeting CSRD requirements, Meterd simplifies facility management, optimizes asset performance, and accelerates your business's energy transition. Empower your company to lead in responsible energy management while reducing operational costs and enhancing sustainability. Join us today, and let's get your facilities meterd!

[BOOK A FREE CONSULTATION ON OUR WEBSITE](#)

8. Additional Resources

- [EFRAG Website](#)
- [EFRAG ESRS Sector Agnostic Structure](#)
- [EFRAG ESRS Sector Specific Structure](#)
- [EFRAG Reporting Guide for SMEs](#)
- [EU Corporate Reporting](#)
- [KPMG Introduction to CSRD Reporting](#)
- [Deloitte Guide to CSRD and ESRS](#)

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