
The Corporate Sustainability Reporting Directive (CSRD): What it Means for ITADs

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Although the European Commission’s Corporate Sustainability Reporting (CSRD) predominantly affects EU-based enterprises, the legislation represents such a radical change in sustainability reporting that IT asset disposal (ITAD) providers in the EU, the UK, and other regions should be prepared for its impact on their customers.

Under the CSRD, more organizations than ever will make annual environmental, social, and governance (ESG) disclosures. This means these organizations may need to consider the impact of their end-of-life asset disposal choices, receive detailed data from vendors, and improve sustainability by increasing device reuse over physical destruction.

The CSRD is both a challenge and an opportunity for ITADs. Learn more about what’s required and how to support your customers as the reporting landscape changes.



What is the CSRD?

The Corporate Sustainability Reporting Directive ((EU) 2022/2464) mandates that relevant organizations must deliver standardized annual reports on certain non-financial information. This includes areas such as sustainability, social responsibility, the treatment of employees, and human rights.

From 2025 onwards, when reporting begins for the organizations included in the first phase, approximately 50,000 companies both inside and outside the EU will disclose their ESG risks, impacts, and opportunities according to a standardized framework.

Understandably, the CSRD has been nicknamed “the ESG equivalent of GDPR.”

Key facts about the Corporate Sustainability Reporting Directive

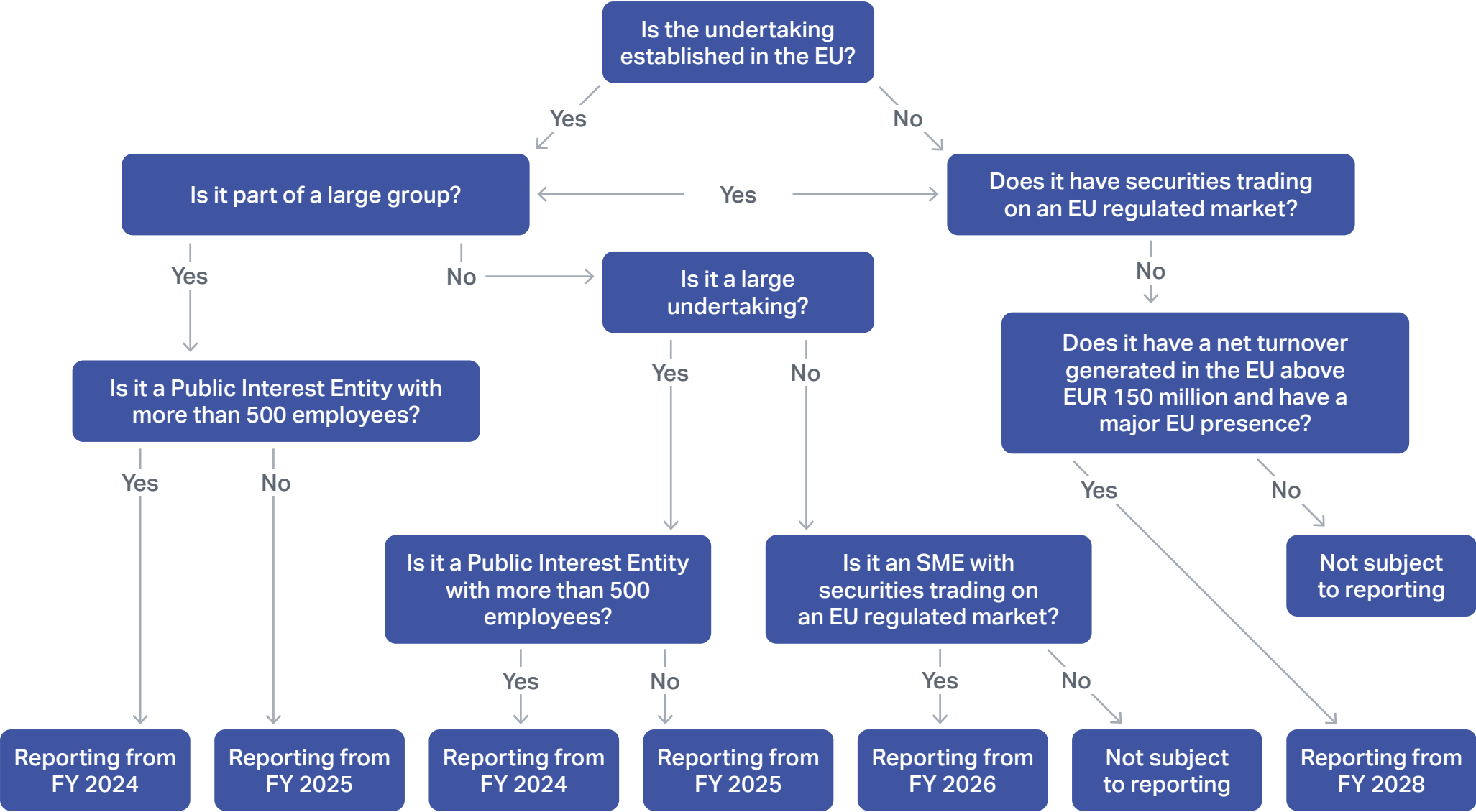
Which companies does the CSRD apply to?

When it is fully transposed into national laws, the CSRD is expected to impact companies across the European Union and beyond. This includes:

- ✓ Large EU-based undertakings and consolidated groups that exceed two of these criteria:
 - A balance sheet total of €25 million
 - Net turnover of €50 million
 - An average of 250 employees in a fiscal year
- ✓ Large EU-based Public Interest Entities with an average of over 500 employees in a fiscal year.
- ✓ Small and medium-sized enterprises (SMEs) listed on regulated EU markets and meeting fiscal and employee criteria.
- ✓ Some large non-EU companies with a place of establishment in the EU and a net turnover generated in the EU above €150 million.

The diagram on the following page sets out a decision-making flow for CSRD reporting and when it will apply to different organizations.

Figure 1: Flowchart identifying CSRD reporting requirements for different organizations



This diagram is a simplified version of the official flowchart featured in the [“Frequently asked questions on the implementation of the EU corporate sustainability reporting rules.”](#) Accessed August 21, 2024. Readers should check the original diagram for full details.

When will ITAD customers need to report?

As set out in Figure 1, there are phased rollouts for the separate groups of organizations, with reporting expected as follows:

- ✓ Large companies and Public Interest Entities previously subject to the [Non-Financial Reporting Directive \(NFRD\)](#) – 2024/25
- ✓ Large listed and unlisted undertakings and consolidated groups not previously subject to the NFRD – 2025/26
- ✓ Small and medium-sized enterprises – 2026/27
- ✓ Large non-EU companies – 2028/29

What will your customers need to report on?

CSRD reporting is complex and will require significant amounts of data and qualitative research. Companies must disclose all significant risks, impacts, and opportunities related to ESG issues throughout their value chain. Depending on the organization and the size of the risk created by its use of devices, this requirement may encompass the sourcing and disposal of IT assets.

The [European Sustainability Reporting Standards \(ESRS\)](#) provide a standardized framework for these disclosures, consisting of two overarching standards (ESRS 1 and ESRS 2) applicable to all companies, along with specific standards focused on topics like climate change and labor practices.



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Figure 2: CSRD reporting requirements in line with the ESRS framework

The table below shows the different European Sustainability Reporting Standards and the topics they cover. Standards E1 to E5 refer to environmental topics, standards S1 to S4 pertain to social topics, and standard G1 covers governance.

STANDARD	TOPIC	SUB-TOPIC	
ESRS 1	General requirements		
ESRS 2	General disclosures		
ESRS E1	Climate change	<div><div>✔</div> Adaptation</div> <div><div>✔</div> Mitigation</div> <div><div>✔</div> Energy</div>	Affected by IT asset disposition
ESRS E2	Pollution	<div><div>✔</div> Air</div> <div><div>✔</div> Water</div> <div><div>✔</div> Soil</div> <div><div>✔</div> Living organisms and food resources</div> <div><div>✔</div> Substances of concern</div> <div><div>✔</div> Substances of very high concern</div> <div><div>✔</div> Microplastics</div>	Affected by IT asset disposition
ESRS E3	Water and marine resources	<div><div>✔</div> Water</div> <div><div>✔</div> Marine resources</div>	Affected by IT asset disposition
ESRS E4	Biodiversity and ecosystems	<div><div>✔</div> Direct impact drivers of biodiversity loss</div> <div><div>✔</div> Impacts on the state of species</div> <div><div>✔</div> Impacts on the extent and condition of ecosystems</div> <div><div>✔</div> Impacts and dependencies on ecosystem services</div>	

STANDARD	TOPIC	SUB-TOPIC	
ESRS E5	Circular economy	<input checked="" type="checkbox"/> Resources inflows, including resource use <input checked="" type="checkbox"/> Resource outflows related to products and services <input checked="" type="checkbox"/> Waste	Affected by IT asset disposition
ESRS S1	Own workforce	<input checked="" type="checkbox"/> Working conditions <input checked="" type="checkbox"/> Equal treatment and opportunity for all <input checked="" type="checkbox"/> Other work-related rights	
ESRS S2	Workers in the value chain	<input checked="" type="checkbox"/> Working conditions <input checked="" type="checkbox"/> Equal treatment and opportunity for all <input checked="" type="checkbox"/> Other work-related rights	May be affected by IT asset disposition
ESRS S3	Affected communities	<input checked="" type="checkbox"/> Communities' economic, social, and cultural rights <input checked="" type="checkbox"/> Communities' civil and political rights <input checked="" type="checkbox"/> Rights of indigenous peoples	May be affected by IT asset disposition
ESRS S4	Consumers and end users	<input checked="" type="checkbox"/> Information-related impacts for consumers and/or end-users <input checked="" type="checkbox"/> Personal safety of consumers and/or end users <input checked="" type="checkbox"/> Social inclusion of consumers and/or end users	Affected by IT asset disposition
ESRS G1	Business conduct	<input checked="" type="checkbox"/> Corporate culture <input checked="" type="checkbox"/> Protection of whistle-blowers <input checked="" type="checkbox"/> Animal welfare <input checked="" type="checkbox"/> Political engagement and lobbying activities <input checked="" type="checkbox"/> Management of relationships with suppliers including payment practices <input checked="" type="checkbox"/> Corruption and bribery	

Table information taken from "Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards."

What will your customers need to report on?

To meet the requirements of the Corporate Sustainability Reporting Directive, companies must undertake double materiality assessments (DMA) for each ESRS. This involves a comprehensive analysis of both the organization and its value chain—upstream and downstream—to identify significant risks, impacts, and opportunities.

The disclosures required for each ESRS will involve both quantitative and qualitative data, along with clear targets and metrics. Additionally, the CSRD mandates third-party auditing, enhancing transparency and aligning ESG reporting with financial standards.

For enterprises handling large volumes of IT assets, compliance with the CSRD may necessitate meticulous tracking and reporting on the sourcing and disposal of these assets.

This increased scrutiny will also impact ITAD vendors. Companies will seek ITAD partners who can ensure compliant processes, provide detailed documentation on the lifecycle of IT assets, and demonstrate responsible disposal methods.

ITAD vendors will need to adapt by enhancing reporting capabilities and possibly offering additional services to help clients meet these stringent standards.



How Blancco helps ITADs with the CSRD opportunity

CSRD reporting is essential for ITAD companies to understand, primarily because many of your customers will want to see evidence of the sustainability risks and benefits of different types of asset disposal. The focus of the CSRD is on transparent risk disclosure and the use of standardized metrics, pushing companies to go beyond merely highlighting their achievements. They must now reveal the risks and impacts associated with their products and services across the entire supply chain, from production to end-users.

One of the most effective ways you can assist your customers is through secure erasure and reporting.

Unlike physical destruction, data erasure enables organizations to participate in the circular economy (ESRS E5) and reduce the carbon footprint caused by physical device disposal and the creation of replacement assets (ESRS E1-E3). Blancco's sustainability reporting dashboard also provides granular data on the CO2 emissions avoided through asset refurbishment—enabling you to offer quantitative evidence to customers.

Aligning with circular economy principles reduces the demand for new device manufacturing, which in turn lowers mining activities, emissions, and the exploitation of workers in hazardous conditions.

For those ITADs that participate in connecting used enterprise devices with charitable organizations, ESRS S3 and ESRS S4 present an opportunity to help customers lessen the digital divide and promote social inclusion. As your customers seek to mitigate more of their ESG risks and impacts, Blancco helps you to prove the environmental and social value of choosing device erasure and refurbishment instead of physical destruction.




CSRD is here to stay, and it's more than just the EU

The implications of the new ESG reporting regime extend beyond the EU. Just as GDPR influenced data privacy legislation worldwide, CSRD-style regulations may emerge in other regions. For ITADs aiming to attract major clients, particularly those with significant operations in Europe, adopting standardized and sustainable practices before they are implemented could provide a competitive edge for the future.

Many large international companies will also be affected, including those with EU-listed securities or substantial European revenue.. This is not just an EU issue.

By embracing these reporting standards early, you can position yourself as an essential partner in the sustainability journey of your customers, reinforcing your value in a rapidly evolving market.



Learn more about Blanco's data erasure solutions for ITAD providers and support your customers to meet their sustainability goals.