



An Roinn Fiontar,  
Trádála agus Fostaíochta  
Department of Enterprise,  
Trade and Employment

# Public Consultation on the Corporate Sustainability Reporting Directive

Member State Options in the transposition of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

**Bus Éireann Submission – 9<sup>th</sup> March 2023**







## Appendix I

Consultation by the Department of Enterprise, Trade and Employment on Member State Options under the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability Reporting

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<b>Article 1 – Amendments to Directive 2013/34/EU the Accounting Directive</b>		
<b>Article 1 Scope (Amended)</b> <i>New point 3 last subparagraph (New)</i>		
Member States <u>may</u> choose not to apply the coordination measures referred to in the first subparagraph of this paragraph to the undertakings listed in points (2) to (23) of Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council.	<p>The new requirements for sustainability reporting under the directive apply to large companies and large public-interest entities and listed SMEs.</p> <p>This option allows Member States to exclude certain undertakings on a case-by-case basis. The list of</p>	<p>This does not impact Bus Éireann as it is a large public interest entity as a commercial semi-state enterprise/Designated Activity Company.</p> <p>However, if the sectoral targets are to be achieved, it would make sense that as many relevant institutions are included in scope from a sectoral perspective.</p> <p>This would allow greater assurance from a cross sectoral perspective where Scope 3 emissions disclosures will be required</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	undertakings relevant to Ireland’s transposition in Article 2 <sup>1</sup> are central banks; post office institutions; the Strategic Banking Corporation of Ireland, credit unions and friendly societies.	
<b>Article 19a – Sustainability Reporting (New)</b> <i>Point 3 last subparagraph (New)</i>		
Member States <u>may</u> allow information relating to impending developments or matters in the course of negotiation to be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative,	The new Article 19a on Sustainability Reporting replaces the existing Article 19a. Article 19a sets out substantially enhanced requirements for sustainability reporting by undertakings in scope of the Directive. The information to be	<b>Commercial Sensitivity:</b> As a commercial semi-state that provides a range of commercial and PSO services, Bus Éireann would be of the view that the transposition of the directive should be allowed to exclude commercially sensitive information from sustainability reporting under certain circumstances where it would impact on its commercial business model and/or may be prejudicial to its commercial

<sup>1</sup> [EUR-Lex - 02013L0036-20220101 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2022/2464/oj)

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking's development, performance and position, and the impact of its activity.</p>	<p>reported should be clearly identifiable within the undertaking's management report (ie the directors' report). This option allows Member States to permit undertakings to exclude commercially sensitive information from the sustainability reporting under certain circumstances.</p>	<p>position.</p>
<p><i>Point 9 subparagraph three (New)</i></p>		
<p>The Member State by whose national law the exempted subsidiary undertaking is governed <u>may</u> require that the</p>	<p>Point 9 sets out exemptions from sustainability reporting for subsidiary undertakings where a parent in the EU includes</p>	<p>Under the Official Languages Act, Bus Éireann is required to publish its Annual Report in both Irish and English once laid before and passed by the Houses of the Oireachtas.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>consolidated management report or, where applicable, the consolidated sustainability report, of the parent undertaking is published in a language that that Member State accepts, and that any necessary translation into such language is provided. Any translation that has not been certified shall include a statement to that effect.</p>	<p>information on the subsidiary in the consolidated management report drawn up under Article 29 and 29a or, if the parent is in a third country equivalent consolidated sustainability report. Member States have the option to require that the consolidated management/sustainability report is published in an accepted language.</p>	
<p><b>Article 29a. – Consolidated Sustainability Reporting (New)</b>  <i>Point 3 last subparagraph (New)</i></p>		
<p>Member States <u>may</u> allow information relating to impending developments or matters in the course of negotiation to be omitted in</p>	<p>The new Article 29a on Consolidated Sustainability Reporting replaces the existing Article 29a. Article 29a, similar to Article 19a, sets out substantially</p>	<p>As a Designated Activity Company, Bus Éireann publishes its Directors Report as part of its Annual Report and Financial Statements, and these are lodged with the Companies Registration Office on an Annual basis.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, and position, and the impact of its activity.</p>	<p>enhanced requirements for consolidated sustainability reporting by undertakings in scope of the Directive. The information to be reported should be clearly identifiable within the group management (directors) report. This option allows Member States to permit undertakings to exclude commercially sensitive information from the sustainability reporting under certain circumstances.</p>	<p>As above in relation to the option for commercial sensitivity</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<i>Point 8 subparagraph (New)</i>		
<p>The Member State by whose national law the exempted parent undertaking is governed <u>may</u> require that the consolidated management report or, where applicable, the consolidated sustainability report of the parent undertaking is published in a language that that Member State accepts, and that any necessary translation into such language is provided. Any translation that has not been certified shall include a statement to that effect.</p>	<p>As in Article 19a, Member States have the option to require that the consolidated management/sustainability report is published in an accepted language.</p>	<p>Under the Official Languages Act, Bus Éireann is required to publish its Annual Report in both Irish and English once laid before and passed by the Houses of the Oireachtas.</p>



Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 30 General Publication (Amended)</b>  <i>Point 1 subparagraph 2 (New)</i></p>		
<p>Member States <u>may</u> require undertakings subject to Articles 19a and 29a to make the management report available to the public on their website, free of charge. Where an undertaking does not have a website, Member States <u>may</u> require it to make a written copy of its management report available upon request.</p>	<p>Article 30 of the Accounting Directive sets out the publication requirements for annual financial statements and management reports (i.e. the directors’ report). As a general rule, the management report must be filed with the Companies Registration Office.</p> <p>This option allows Member States to require undertakings in scope of the requirements for sustainability reporting to publish the management report on their website or make a copy available upon request.</p>	<p>Bus Éireann already fulfills this requirement</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<i>Point 1 subparagraph 4 (Existing)</i>		
<p>Member States <u>may</u>, however exempt undertakings from the obligation to publish the management report where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.</p>	<p>As stated above as a general rule, the management report must be filed with the Companies Registration Office. Member States may exempt undertakings from this requirement provided the report can be readily obtained from the undertaking at a price not exceeding its administrative cost.</p> <p>This option is not new and was not taken in the transposition of Directive 2013/34/EU but it is repeated here for completeness.</p>	<p>As a Designated Activity Company, Bus Éireann publishes its Directors Report as part of its Annual Report and Financial Statements, and these are lodged with the Companies Registration Office on an Annual basis.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 34.3 General Requirement Auditing (Amended)</b>  <i>Point 3 (New)</i></p>		
<p>Member States <u>may</u> allow a statutory auditor or an audit firm other than the one(s) carrying out the statutory audit of financial statements to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1.</p> <p>(i.e. the opinion on the compliance with sustainability reporting)</p>	<p>Article 34 of the Accounting Directive sets out the general requirement for the statutory audit of financial statements of undertakings. It is amended to provide for the assurance (audit) of sustainability reporting by undertakings.</p> <p>This option allows Member States to permit undertakings to engage separate statutory auditors/audit firms to carry out the statutory audit of financial statements and the assurance of the sustainability reporting.</p>	<p>Bus Éireann is of the of the view that undertakings should have the option of engaging separate auditors/audit firms to undertake the assurance process for sustainability as part of a MEAT (Most economically advantageous tender) procurement process.</p> <p>It may be the case in the short to medium term that financial auditors may not be best placed to assess non-financial reporting sustainability/ESG disclosures. The skills to advise on ESG reporting may come from many sources outside the conventional financial auditing perspective.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<i>Points 4 and 5 Independent Assurance Services Provider (New)</i>		
<p>Member States <u>may</u> allow an independent assurance services provider established in their territory to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1, provided that such independent assurance services provider is subject to requirements that are equivalent to those set out in Directive 2006/43/EC of the European Parliament and of the Council as regards the assurance of sustainability reporting as defined in point 22 of Article 2 of that Directive, in particular the requirements on:</p>	<p>This option allows Member States to introduce a new category of Independent Assurance Services Provider (IASP) to provide for the assurance of sustainability reporting by undertakings. IASPs must be subject to equivalent requirements to statutory auditors in respect of this assurance work including in respect of training, education, quality assurance and investigations and sanctions. In due course Member States that exercise the option to introduce IASPs must also exercise the option to permit separate statutory auditors/audit firms to carry out the audit of financial</p>	<p>Bus Éireann would be agreeable to this approach</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>(a) training and examination, ensuring that independent assurance services providers acquire the necessary expertise concerning sustainability reporting and the assurance of sustainability reporting;</p> <p>(b) continuing education;</p> <p>(c) quality assurance systems;</p> <p>(d) professional ethics, independence, objectivity, confidentiality and professional secrecy;</p> <p>(e) appointment and dismissal;</p>	<p>statements and assurance of sustainability reporting. Member states that exercise the option to introduce IASPs must also in due course provide for home/host model of oversight of IASPs with other Member States.</p>	

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>(f) investigations and sanctions;</p> <p>(g) the organisation of the work of the independent assurance services provider, in particular in terms of sufficient resources and personnel and the maintenance of client account records and files; and</p> <p>(h) reporting irregularities.</p> <p>Member States shall ensure that, where an independent assurance services provider expresses the opinion referred to in point (aa) of the second subparagraph of paragraph 1 of this Article, that opinion is</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>prepared in accordance with Articles 26a, 27a and 28a of Directive 2006/43/EC and that, where applicable, the audit committee, or a dedicated committee, reviews and monitors the independence of the independent assurance services provider in accordance with point (e) of Article 39(6) of Directive 2006/43/EC.</p> <p>Member States shall ensure that independent assurance services providers accredited before 1 January 2024 for the assurance of sustainability reporting, in accordance with Regulation (EC) No 765/2008, are not subject to the training</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>and examination requirements referred to in point (a) of the first subparagraph of this paragraph.</p> <p>Member States shall ensure that independent assurance services providers that on 1 January 2024 are undergoing the accreditation process in accordance with the relevant national requirements are not subject to the training and examination requirements referred to in point (a) of the first subparagraph as regards the assurance of sustainability reporting, provided they complete that process by 1 January 2026.</p>		



<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>Member States shall ensure that the independent assurance services providers referred to in the third and fourth subparagraphs acquire the necessary knowledge in sustainability reporting and the assurance of sustainability reporting via the continuing education requirement referred to in point (b) of the first subparagraph.</p> <p>If a Member State, pursuant to the first subparagraph, decides to allow an independent assurance services provider to express the opinion referred to in point (aa) of the second</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>subparagraph of paragraph 1, it shall also allow a statutory auditor other than the one(s) carrying out the statutory audit of financial statements to do so, as provided for in paragraph 3.</p> <p>5. From 6 January 2027, a Member State that has made use of the option provided for in paragraph 4 (the “host Member State”) shall allow independent assurance services provider established in a Member State other than the host Member State (the “home Member State”) to carry out the assurance of sustainability reporting.</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>The home Member State shall be responsible for the supervision of the independent assurance services providers established in its territory, unless the host Member State decides to supervise the assurance of sustainability reporting carried out by independent assurance services providers in its territory.</p> <p>If the host Member State decides to supervise the assurance of sustainability reporting carried out in its territory by independent assurance services providers registered in another Member</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>State, the host Member State shall:</p> <p>(a) not impose more stringent requirements or liability on such independent assurance services providers than those required for assurance of sustainability reporting by the national laws for the independent assurance services providers or auditors established in that host Member State; and</p> <p>(b) inform other Member States about its decision to supervise the assurance of sustainability reporting carried out by independent assurance</p>		

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
services providers established in other Member States.		
<b>Article 40a Sustainability Reports concerning third-country undertakings (New)</b> <i>Point 1 last subparagraph (new)</i>		
<p>Member States <u>may</u> require subsidiary undertakings or branches referred to in the first and third subparagraphs to send them information about the net turnover generated in their territory and in the Union by the third-country undertakings.</p>	<p>This is a new Article 40a inserted into the Accounting Directive on sustainability reports concerning third country undertakings. This option underpins the requirement for sustainability reports by large subsidiaries and branches operating in the EU (turnover &gt; €40 million) of non-EU companies (turnover in the EU &gt; €150 million). It permits Member States to require subsidiary undertakings and branches to send information about net turnover generated in</p>	<p>Not applicable to Bus Éireann                      Nil response</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	the Member State and in the EU.	
<b>Article 3 Amendments to Directive 2006/43/EC the Audit Directive</b>		
<b>Article 12 Combination of practical training and theoretical instruction (replaced)</b>		
<i>Point 1 (existing)</i>		
<p>1. Member States <u>may</u> provide that periods of theoretical instruction in the subjects referred to in Article 8(1) and (2) shall count towards the periods of professional activity referred to in Article 11, provided that such instruction is attested by an examination recognised by the Member State. Such instruction shall not last less than one year, nor may it reduce the period of</p>	<p>This Article and option allows Member States to permit that periods of study can count towards professional activity periods required in Article 11 which governs qualifications through long term practical experience of statutory auditors. There is no substantive change to this option and it is not concerned with sustainability reporting but it is amended to take account of new cross-references in Article 8 arising</p>	<p>Nil response</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>professional activity by more than four years.</p> <p>2. The period of professional activity and practical training shall not be shorter than the course of theoretical instruction together with the practical training required under the first subparagraph of Article 10(1).’;</p>	<p>from the amending Directive. It was not exercised in the transpositions of Directive 2006/43/EC and Directive 2014/56/EU however it is repeated here for completeness.</p>	
<p><b>Article 26a Assurance Standards for sustainability reporting (New)</b>  <i>Point 2 (New)</i></p>		
<p>2. Member States <u>may</u> apply national assurance standards, procedures or requirements as long as the Commission has not adopted an assurance standard covering the same</p>	<p>Article 26a is a new article inserted into the Audit Directive which sets out the requirement for the audit of sustainability reporting to be done in accordance with assurance</p>	<p>Bus Éireann would be supportive of this approach</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>subject matter.</p> <p>Member States shall communicate the national assurance standards, procedures or requirements to the Commission at least three months before their entry into force.</p>	<p>standards which will be developed by the EU Commission. This option permits Member States to apply national standards in the event that the Commission has not adopted a standard on the same subject matter.</p>	
<p><b>Article 28a Assurance Report on sustainability reporting (New)</b>  <i>Point 5 (New)</i></p>		
<p>5. Member States <u>may</u> require that, where the same statutory auditor carries out the statutory audit of annual financial statements and the assurance of sustainability reporting, the assurance report on sustainability reporting may</p>	<p>Article 28a is a new article inserted into the Audit Directive which sets out the requirements for the assurance report by statutory auditors/audit firms of sustainability reporting to be done in accordance with assurance standards which will be</p>	<p>Bus Éireann would be agreeable to this provision within Article 28a.</p>



<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>be included as a separate section of the audit report.</p>	<p>developed by the EU Commission (or any national standard if relevant).</p> <p>This option permits Member States to provide that where the same statutory auditor/audit firm carries out the statutory audit of the financial statements and the assurance of sustainability reporting, the assurance report may be included as a separate section of the audit report.</p>	
<p><b>Article 29 Quality Assurance Systems (Amendment)</b></p> <p><i>Point 2a (New)</i></p>		
<p>2a. Member States <u>may</u> exempt, until 31 December 2025, persons who carry out</p>		<p>Nil Response</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>quality assurance reviews relating to the assurance of sustainability reporting from the requirement to have relevant experience in sustainability reporting and in the assurance of sustainability reporting or in other sustainability-related services.’;</p>	<p>The amendments to Article 29, which governs quality assurance systems for statutory audit, allow where applicable for quality assurance of sustainability reporting.</p> <p>This option permits Member States to allow for a transition period for persons carrying out quality assurance reviews on sustainability reporting by exempting them until the end of 2025 from the requirement to have relevant experience in sustainability reporting or the assurance of same.</p>	

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 30 Systems of Investigations and Sanctions (Amended)</b>  <i>Point 2 second subparagraph (existing)</i></p>		
<p>Member States <u>may</u> decide not to lay down rules for administrative sanctions for infringements which are already subject to national criminal law. In that event, they shall communicate to the Commission the relevant criminal law provisions.’;</p>	<p>The amendments to Article 30, which governs systems of investigations and sanctions for breaches of statutory audit rules, allow for the extension of investigation and sanctions systems to assurance of sustainability reporting.</p> <p>This option is not amended directly and allows Member States not to provide for an administrative sanction regime where criminal law already applies. It was not exercised in the transposition of Directive 2014/56/EU.</p>	<p>Nil Response</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 39 Audit Committee (Amended)</b>  <i>Paragraph 4a (New)</i></p>		
<p>Member States <u>may</u> allow the functions assigned to the audit committee relating to sustainability reporting and relating to the assurance of sustainability reporting to be performed by the administrative or supervisory body as a whole or by a dedicated body established by the administrative or supervisory body.</p>	<p>The amendments to Article 39, which governs the rules for Audit Committees of public interest entities, allow for the extension of certain audit committee functions to include assurance of sustainability reporting. This option permits Member States to allow these functions to be assigned to the board of directors of the public-interest for example or another dedicated body established by the public interest entity. It is similar to an option at Article 39(4) which applies to statutory audit. This option was not exercised in the transposition</p>	<p>Bus Éireann agrees with this provision and has established a sustainability committee to provide support to the board in relation to sustainability strategy, policy and reporting.</p> <p>Ultimately the board of Bus Éireann approves sustainability policy and reporting with the support of the sub committees, including the ARC and the sustainability committee.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	of Directive 2014/56/EU.	

**Please provide any further views you have in relation to the transposition and development of future policy in this area.**

Bus Éireann is supportive of the CSRD and the draft ESRS which is currently under consultation. Both the Directive and the Standards will provide a reliable and consistent base from which to measure, monitor, and implement sustainability strategies and provide auditable assurance on these matters.

The Directive and Standards will place an additional but necessary administrative burden on undertakings over the next few years, and Bus Éireann looks forward to working with stakeholders to ensure a successful path to compliance with Directive as it is transposed into Irish Law.

Bus Éireann is also supportive of the views of IBEC in its formal submission to this consultation taking into account existing obligations of Bus Éireann as a Designated Activity Company commercial semi-state and public service provider.

END