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Department of Enterprise,
Trade and Employment



Corporate Sustainability Reporting Directive

Wednesday 6 December 2023

Background



- Commitment in the European Green Deal, the 2019 strategy to transform the Union into a modern, resource efficient and competitive economy with no net emissions of greenhouse gases by 2050.
- Commitment in the EU Action Plan: Financing Sustainable Growth to redirect capital flows towards sustainable investment.
- Corporate Sustainability Reporting Directive entered into force in January 2023.

Key Information



- Annual reporting on sustainability matters - environmental, social and governance including human rights matters.
- Underpinned by European Sustainability Reporting Standards adopted by the EU Commission.
- Directors are responsible for ensuring the sustainability information is prepared in accordance with the standards.
- Clearly identifiable within the management report in a dedicated section.
- Reporting is on a double materiality basis. ie. Impact materiality (looking out) and financial materiality (looking in) includes value chain.
- Limited assurance (audit) opinion initially.

Scope of Sustainability Reporting



- All large undertakings and public interest entities (banks, insurance undertakings, listed companies).
- SMEs listed on a regulated EU stock market excluding micros.
- Subsidiaries and branches with turnover > 40 million of non-EU companies with turnover greater than 150million in the EU must submit an equivalent sustainability report.
- In total c.55,000 companies in the EU compared to c.11,000 currently.

Transposition and other Deadlines



Member States

- Transposition in 18 months - 6 July 2024

Entities in scope to incorporate sustainability reporting from

- Large PIEs > 500 employees – FY after 1 January 2024
- Large undertakings and large PIEs > 250 employees – FY after 1 January 2025
- Listed SMEs – FY after 1 January 2026 with an ‘opt out’ possible until 1 January 2028
- Large subsidiaries and branches of third country undertakings – FY after 1 January 2028

Advice for Stakeholders



- **Assess** whether you are in scope of the directive, either directly or as part of a value chain.
- **Determine** your company's existing position on sustainability matters assessing and analysing your reporting processes, internal controls and governance.
- **Discuss** the directive and the standards with your auditor, accountant or business adviser.
- If you think you may be captured by the value chain of a large company you work with, **Start** the conversation with them to find out what this means and what information you might be asked to supply.
- **Evaluate** your ability to capture the data as a company in scope or as a business within the value chain.
- Consider the suite of **Government supports available** to assist companies in the green transition.
- **Further information** [Preparing your business for the Corporate Sustainability Reporting Directive \(CSRD\) - DETE \(enterprise.gov.ie\)](#)

Next Steps



➤ **Communication**

➤ **Legislation**



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Thank you.